



# USAID

FROM THE AMERICAN PEOPLE

**Issuance Date:** November 18, 2005

**Closing Date:** February 6, 2006

**Closing Time:** 2:00 p.m. EST

**Subject:** Request for Applications (RFA) Number M/OAA/EGAT/EMD-06-081, "Enterprise Development Implementation Grant Program: Linking Economic Growth to Poor Households"

Dear Applicants:

The United States Government, as represented by the United States Agency for International Development (USAID), Economic, Growth, Agriculture and Trade (EGAT), Office of Poverty Reduction, Microenterprise Development (PR/MD) is seeking applications (proposals for assistance funding) from any U.S. non-governmental or non-U.S. non-governmental organization to implement activities in support of PR/MD's Enterprise Development Implementation Grant Program: Linking Economic Growth to Poor Households.

The authority for this RFA is found in the Foreign Assistance Act of 1961, as amended. Awards shall be made in accordance with 22 CFR 226, OMB Circulars A-21 (for universities), A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations), A-122 (for non-profit organizations), ADS-303, and USAID Standard Provisions.<sup>1</sup>

The Recipient will be responsible for ensuring achievement of the following major program objectives:

- 1) Improve the competitiveness of industries in which large number of micro and small enterprises (MSEs) participate and might benefit;
- 2) Foster the sustainability of competitiveness as to enable firms and industries to respond to market demands both in the short and long run;
- 3) Increase the breadth and depth of benefits at the industry, MSE and household levels; and,
- 4) Test and document new and innovative approaches that promote economic growth and reduce poverty in the developing world.

Please refer to Section B, Program Description, for a complete statement of goals and expected results.

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<sup>1</sup> Applicants can obtain copies of these documents by referring to the USAID Homepage at the following links: <http://www.usaid.gov/policy/ads/cfr.html#22>; <http://www.usaid.gov/policy/ads/omb.html>; <http://www.usaid.gov/policy/ads/300/303maa.pdf> and <http://www.usaid.gov/policy/ads/300/303maa.pdf>

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for-profit organizations), may be paid under the grant.

USAID's policy is that cost sharing is an important element of the USAID-recipient relationship. USAID encourages a contribution from partners toward the total cost of the activity to support or contribute to the achievement of results. However, there is no mandatory goal for cost share under this RFA. The Agency also welcomes the applicant's approach to leveraging funds to expand the program or impact of results of the program.

Support for all years is contingent on the availability of funding. USAID intends to award approximately four to six cooperative agreements valued between \$250,000 and \$750,000 each over a 3-year period. USAID reserves the right to fund any or none of the applications submitted.

For the purposes of this program, this RFA is being issued and consists of the SF 424, Application for Federal Assistance, this cover letter and the following:

1. Section A - Grant Application Format;
2. Section B – Program Description;
3. Section C - Selection Criteria;
4. Section D - Certifications, Assurances, and Other Statements of Recipient

For the purposes of the RFA, the term "Grant" is synonymous with "Cooperative Agreement"; "Grantee" is synonymous with "Recipient"; and "Grant Officer" is synonymous with "Agreement Officer".

If your organization decides to submit an application, it should be received by the closing date and time indicated in the RFA. Applicants must submit the full application package by one of the methods indicated in Section A of this RFA.

Applicants are requested to submit both technical and cost portions of their applications in separate volumes and in electronic format (CD or email). If the application is sent via e-mail or submitted through [www.grants.gov](http://www.grants.gov), a CD submission is not required. Award(s) will be made to the responsible applicant(s) whose application(s) offers the greatest value to the government.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. In addition, final award of any resultant grant(s) cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award. Applications are submitted at the risk of the applicant; should circumstances prevent award, all preparation and submission costs are at the applicant's expense. USAID reserves the right to fund any or none of the applications submitted.

This RFA is being posted through [www.fedgrants.gov](http://www.fedgrants.gov) on the World Wide Web (www). This RFA and any future amendments can be downloaded from this website ([www.fedgrants.gov](http://www.fedgrants.gov)). It is the responsibility of the recipient of the application document to ensure that it has been received from [www.fedgrants.gov](http://www.fedgrants.gov) in its entirety. USAID bears no responsibility for data errors resulting from transmission or conversion processes.

In the event of an inconsistency between the documents comprising this RFA, it shall be resolved by the following descending order of precedence:

- (a) Section C - Selection Criteria;
- (b) Section A - Grant Application Format;
- (c) Section B - The Program Description;
- (d) This Cover Letter.

Any questions concerning this RFA should be submitted, in writing, to Ms. Linda Reed, Agreement Specialist, at [lireed@usaid.gov](mailto:lireed@usaid.gov) no later than 2:00pm EST, December 7, 2005. Unlike the Financial Services Implementation Grant Program (FS IGP) tender process, there will be no pre-application conference held related to this Enterprise Development Implementation Grant Program RFA.

For grants.gov technical support, call 1-800-518-4726. If there are problems in downloading the RFA please contact Ms. Linda Reed at [lireed@usaid.gov](mailto:lireed@usaid.gov). Applicants should retain for their records one copy of all enclosures which accompany their application.

Sincerely,



E. Darlene Bullock  
Agreement Officer  
Office of Acquisition and Assistance

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## SECTION A - COOPERATIVE AGREEMENT APPLICATION FORMAT

### 1. ELIGIBILITY REQUIREMENTS

Applicants must be able to: (1) demonstrate an established capacity to provide the technical services and expertise to support the proposed program; (2) have a proven track record in promoting enterprise development; and (3) be able to meet USAID financial management standards, to ensure funds accountability.

As with past Enterprise Development IGPs, USAID/MD will consider regional proposals that include more than one country – provided that all the relevant USAID Missions concur. Additionally, applications from any U.S. non-governmental or non-U.S. non-governmental organization that meets the above eligibility requirements may apply.

#### **USAID Presence Countries and Mission Concurrence**

This RFA is open to receive applications from all USAID presence countries with the exception of Europe and Eurasia (E&E)<sup>2</sup>. No funds are available to support the IGP in this part of the world. **Applications from non-presence countries will not be considered.** The MD office seeks to work in support of and in collaboration with local USAID Missions. IGP grants are intended to complement USAID Mission strategic objectives for economic growth or poverty alleviation.

Mission's concurrence must be solicited for each application. If a Mission disapproves for any reason, the application will not be selected for an IGP award. Therefore, it is strongly recommended that applicants follow-up with USAID Missions to investigate their interest in their proposal. Each application should indicate in their cover letters the name and contact information of the concurring USAID Mission officer.

### 2. TECHNICAL APPLICATION FORMAT

Responses to Sections A (1) – A (6) of the Technical Application are limited to 20 single sided pages. Any pages **OVER 20 WILL NOT BE EVALUATED. The total Technical Application which consists of Items A - C should not exceed a total of 40 pages.** The technical application shall be written in English, using Microsoft Word, Times New Roman, 12 point font on standard 8 1/2" x 11" paper (210 mm by 297mm paper), single spaced, 10 characters per inch with each page numbered consecutively, and no less than 1" margins on all sides. A proposed application outline (technical and cost) is given on the following pages of this document.

#### **A. APPLICATION CONTENT (Items 1 – 6 shall not exceed 15 total pages)**

##### 1. Executive Summary

- Briefly discuss the main goal to be achieved through the IGP grant;
- Summarize experience of the Applicant relevant to the proposed program;
- Describe program approach, exit strategy, expected impacts and learning agenda; and,
- Discuss the proposed approach to monitoring and evaluating

##### 2. Quality of Market/Value Chain/Competitiveness Analysis and Clear Linkages to

<sup>2</sup> See [http://www.usaid.gov/locations/europe\\_eurasia/countries/](http://www.usaid.gov/locations/europe_eurasia/countries/) for a complete listing of these countries.

## Intervention

- Describe the characteristics of the value chain or industry, including (a) the end market (location of end market - whether international, regional, national and/or local and competitiveness of end market product(s)), (b) the enabling environment at international, national and local levels; (c) inter-firm cooperation - vertical linkages; (d) inter-firm cooperation - horizontal linkages; (e) firm-level upgrading (what is needed and/or what incentives and/or disincentives exist for upgrading); (f) supporting markets (needs for and constraints to accessing financial, sector-specific and non-sector specific services). This section must include the specific constraints and opportunities that need to be addressed if MSEs and the value chains they dominate are to grow to the benefit of small firms and the poor. It must also discuss - where relevant - the power relations, learning sources, and benefit distribution among and/or between firms in the value chain.
- Provide a "vision" for what the market/ industry will look like and/or how it will operate at the end of the program/or intervention.

### 3. Technical Approach for Reaching Large Numbers of Poor Households

- Provide a description of the approach/innovation that will be used to reach poorer clients, to improve the competitiveness of the industry or value chain targeted, and/or achieve significant scale in terms of numbers of poor MSEs benefiting.
- Describe the program strategy for promoting growth and reducing poverty using the value chain approach described in this RFA. Consider the following: How will your project improve value chain competitiveness? How will it address barriers to growth and wealth creation in poor communities, and how will it ensure that participating MSEs benefit? How will the project ensure the sustainability of supporting markets needed to address key constraints to growth as well as access by poor MSEs participating in selected value chains? How will the project deal with ineffective, non-transparent relationships among industry actors either at the same or different levels of the value chain? How will the project foster incentives that improve competitiveness to the benefit of all?
- Provide evidence that the proposed program shows the potential (through both market data and credible projections, and/or previous pilot activities) to significantly improve value chain competitiveness, access to supporting markets, and benefits to large numbers of poorer clients. The application must offer explanations such as, but not limited to: the technical feasibility of the proposed program (given past experience and capacity), the future as well as present competitiveness of the value chain, and the possible trade-offs between the increased cost and risk of reaching poorer clients and the need to achieve sustainability.
- Project credible expected program targets and programmatic impacts, as reflected in Table 1. The application should also provide a credible plan (including quantitative and programmatic indicators) and capacity for assessing the extent to which the program achieves the expected impacts.

#### **4. Learning and Innovation**

- Provide a clear learning agenda that states the relevance of the proposed approach to the overall Enterprise Development field, including how it will help to advance the sector.

#### **5. Exit Strategy/Sustainability Plan**

- Provide a vision of how program impacts will be sustained after the program period.
- Provide a clear plan of activities and timetable for how and when the implementing organization (or facilitator) will exit from the market, withdrawing all subsidies and leaving behind sustainable supporting markets, improved inter-firm cooperation, and an ability to respond to changes in market demand.
- Detail the program's plan for improving and sustaining competitiveness of value chains and poor actors in these value chains.

#### **6 Past Performance and Institutional Capacity**

- Provide a record of performance of the implementing organization(s) in designing and supporting relevant, innovative and market-led programs that have achieved effective impact, scale, depth of outreach, and sustainability during the last five years. Each reference must include the name of the points of contact, addresses, current telephone numbers, e-mail addresses, award numbers and brief description of the activities implemented.
- Demonstrate the experience of applicant and implementing organizations' senior project staff and management capacity.

#### **B. Resumes**

All applicants shall provide resumes for Key Personnel. At a minimum, these personnel shall include the Headquarters Technical Backstop and Field Program Manager.

#### **C. Illustrative Work plan**

Applicants shall include an illustrative project work plan, which will be evaluated as part of the technical approach. The work plan may not exceed 3 pages in length and will be included in an annex to the technical application. As noted earlier, technical sections A1-A6 must not exceed 20 pages. Pages dedicated for the project work plan will not count against this page limit. However, pages dedicated to the project work plan will be subject to the 40 page page-limit of the full technical application (see section A.2). The illustrative work plan will be evaluated as part of the "Technical Approach for Reaching Large Numbers of Poor Households" (see the Selection Criteria in section C).

#### **3. COST APPLICATION FORMAT**

The Cost Application is to be submitted under separate cover (volume) from the technical application. Certain documents are required to be submitted by an applicant in order for an Agreement Officer to make a determination of responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources.

The following sections describe the documentation that applicants for Assistance award must submit to USAID prior to award. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

- A. Include a budget with an accompanying budget narrative which provides in detail the total costs for implementation of the program your organization is proposing. The budget must be submitted using Standard Form (SF) 424 and 424A which can be downloaded from the USAID web site, [http://www.usaid.gov/procurement bus\\_opp/procurement/forms/sf424/](http://www.usaid.gov/procurement_bus_opp/procurement/forms/sf424/). A copy of the SF 424 and 424A are included as an attachment to this RFA.
  - the breakdown of all costs associated with the program according to costs of, if applicable, headquarters, regional and/or country offices;
  - the breakdown of all costs according to each partner organization involved in the program;
  - the costs associated with external, expatriate technical assistance and those associated with local in-country technical assistance;
  - potential contributions of non-USAID or private commercial donors to this Cooperative Agreement;
  - your procurement plan for commodities (note that contraceptives and other health commodities will not be provided under this Cooperative Agreement).
- B. A current Negotiated Indirect Cost Rate Agreement (NICRA);
- C. Required certifications and representations (See Section D):
- D. Applicants are required to submit a detailed line item budget of their cost share contribution and the percentage proposed. Applicants must explain the type of contributions (i.e., volunteer services, donated supplies, donated equipment, cash, etc.). The applicants must also provide a breakdown of the cost share contributions of all organizations involved in implementing this Cooperative Agreement.
- E. Cost Sharing – USAID's policy is that cost sharing is an important element of the USAID-recipient relationship. USAID encourages a contribution from partners toward the total cost of the activity to support or contribute to the achievement of results. However, there is no mandatory goal for cost share under this RFA. The Agency also welcomes the applicant's approach to leveraging funds to expand the program or impact of results of the program.
- F. Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant agency shall also submit the following information:
  - copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
  - projected budget, cash flow and organizational chart; and
  - A copy of the organization's accounting manual. If a copy has already been submitted to the U.S. Government, the applicant should advise which Federal Office has a copy along with contact information.



G. Applicants should submit any additional evidence of responsibility deemed necessary for the Agreement Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award;
2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, nongovernmental and governmental;
3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance;
4. Has a satisfactory record of integrity and business ethics; and,
5. Is otherwise qualified and eligible to receive a grant under applicable laws and regulations (e.g., EEO).

#### **4. SUBMISSION OF APPLICATIONS**

**Applicants must submit their applications no later than February 6, 2006, 2:00 p.m. Eastern Standard Time (EST)** through one of the acceptable methods indicated in this RFA. Applications which are submitted late or are incomplete run the risk of not being considered.

All applications must include the following:

- 1) Completed SF 424
- 2) Technical Application
- 3) Cost Application

All complete applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Section C addresses the technical evaluation procedures for the applications. USAID may reject applications that are incomplete, do not respond to the scope of the solicitation, do not comply with format requirements, or are submitted after the deadline.

Technical applications should be specific, complete and presented concisely. The applications should demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The applications should consider the technical evaluation criteria found in Section C.

Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes to submissions must be initialed by the person signing the application.

Applications may be submitted for consideration by one of the following methods:

**A. Hard copy submissions:**

Applications shall be submitted in two separate sealed envelopes: (a) technical and (b) cost application. Technical portions of applications must be submitted in an original and five copies and cost portions of applications in an original and five copies. If submitting in hard copy form, the Applicant must also include a copy of the technical and cost proposals on one CD to be included with their submission. The technical proposal must be in MS Word. The cost proposal may be submitted in MS Word or MS Excel. Applicants should submit the hard copy application package as follows:

**(By U.S. Mail):**

U.S. Agency for International Development  
Office of Acquisition & Assistance  
Attn: Linda Reed, Agreement Specialist  
RRB, Room 7.09-135A, M/OAA/EGAT  
1300 Pennsylvania Avenue, N.W.  
Washington, D.C. 20523-7100

**(By Courier Service/Hand Delivery)\*:**

U.S. Agency for International Development  
Office of Acquisition and Assistance  
Attn: Linda Reed, Agreement Specialist  
1300 Pennsylvania Avenue, N.W.  
Ronald Reagan Building, 14<sup>th</sup> Side Entrance (Visitor's Desk)  
Washington, D.C. 20523-7100

\* Please come to the 14th Street entrance – visitor's desk. The applicants are required to call Ms. Reed using the visitor's phone desk at (202) 712-0446. An alternate point of contact is Mr. David Lavine at (202) 712-0426. **The security guards will not accept applications.** Please note that all individuals and items entering the Ronald Reagan Building are subject to a security check and all items must go through a metal detector.

**B. E-mail submissions:**

Applicants emailing submissions shall be forward to the following address: [lireed@usaid.gov](mailto:lireed@usaid.gov) with the e-mail SUBJECT line to read: **"Application for Enterprise Development Implementation Grants Program: Linking Economic Growth to Poor Households."**

**C. Submission through [www.grants.gov](http://www.grants.gov):**

Applicants are encouraged to up-load applications to [www.grants.gov](http://www.grants.gov). Go to [www.grants.gov](http://www.grants.gov) for application instructions. For Grants.gov technical support, call 1-800-518-4726.

**Faxed applications will not be accepted.**

Applicants may submit questions, in writing, in response to this RFA. **The period for receipt of questions will end on December 7, 2005 at 2:00 p.m. EST.** Following this period, the questions and answers will be posted as an amendment to the RFA on [www.grants.gov](http://www.grants.gov). Questions should be sent to Linda Reed, Agreement Specialist, via e-mail at [lireed@usaid.gov](mailto:lireed@usaid.gov). **The e-mail SUBJECT**

**line should read: Questions for “Enterprise Development Implementation Grants Program : Linking Economic Growth to Poor Households.”**

Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment of this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

#### **D. Acknowledgement of Amendments to the RFA**

Applicants shall acknowledge receipt of any amendment to this RFA by signing and returning the amendment. The Government must receive the acknowledgement by the time specified for receipt of applications.

### **5. AGREEMENT AWARD**

A. The Government may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application (see Section III, Selection Criteria), (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received.

B. The Government may award one or more Agreement(s) on the basis of initial applications received, without discussions. Therefore, each initial application should contain the applicant's best terms from a cost and technical standpoint.

C. Neither financial data submitted with an application nor representations concerning facilities or financing, will form a part of the resulting Agreement(s).

D. Authority to Obligate the Government - The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Agreement may be incurred before receipt of either a fully executed Agreement or a specific, written authorization from the Agreement Officer.

E. The Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

F. Foreign Government Delegations to International Conferences - Funds in this [contract, agreement, amendment] may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" [<http://www.info.usaid.gov/pubs/ads/300/refindx3.htm>] or as approved by the [CO/AO/CTO].

G. Eligible expenses include direct, program-related costs for technical assistance and training, needs assessments, market research and external evaluations designed to assess project activities and services. Indirect costs will be covered in accordance with the Applicant's Negotiated Indirect Cost Rate Agreements (NICRA), or as directly billable overhead expenses as determined by USAID's Office of Acquisition and Assistance. Local Partner's costs may include items such as general operating expenses (provided they are justified and are shown to decrease over the life of

the grant), computer software and hardware, equipment, travel and transportation, market research, training and staff development.

## **6. APPLICATION PROCESS**

All applications will be reviewed in two stages consisting of a qualification phase and a pre-award phase. During the qualification phase, applicant proposals will be competitively selected based on the IGP selection criteria as outlined in Section C of this RFA. Applicants who are qualified for the pre-award phase will be so advised by the USAID Agreement Officer. Successful completion of the qualification phase does not assure a grant award will be made. The application process is detailed below.

### **A. Qualification Phase - Review Scoring and Selection**

Applications must be received by the closing date and time indicated in this RFA.

The technical evaluation team will review applications, with input from appropriate USAID Missions and Bureaus as needed, based on the eligibility and selection criteria outlined in the RFA. The technical portion of the review process will take about 60 days to permit all USAID input to be assembled and reviewed. Applicants will be notified if there are minor technical issues requiring clarification. Applications under consideration will be notified and will then move to a "pre-award phase." Selection for award consideration does not ensure an award. Applications not receiving awards will be notified in accordance with ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations.

### **B. Pre-Award Phase**

#### **1. Field Assessment**

Applicants under consideration for award may be requested to participate in a field assessment by MD staff. The MD office endeavors to visit all applicant programs before an award is made. However, there are times when a pre-award visit cannot be completed in a timely manner, and in such cases, the MD office will determine whether it has sufficient information about a program to move an application forward. USAID reserves the right to award without performing a field assessment.

The purpose of the field assessments is to: (1) assess the feasibility of the goals presented in the application; (2) understand the potential impact of the innovation/breakthrough and the key constraints and challenges to reaching the program's goals; (3) the adequacy of the proposed personnel, management, and information systems, (4) verify data presented in the proposal, and (5) assess the degree to which the annual and end-of-project targets are reasonable. Applicants will be invited and encouraged to participate in the USAID field assessment. The MD office will notify USAID Missions and Regional bureaus of travel plans and request their concurrence.

#### **2. Pre-award Audit**

Successful Applicants who have never received funding from USAID will be subjected to a pre-award audit to assess financial and accounting systems, analyze adequacy of financial controls and establish an indirect cost rate. Completion of a pre-award audit may delay the final award.

### **C. Final Agreement on Targets and Budget**

The Applicant and the MD Office will negotiate final targets until both parties are satisfied that they are appropriate. Final budgets will be subject to availability of funds and the outcome of the agreement review process. Negotiation of budget and final award for qualified applicants who have successfully completed the qualification and pre-award phases, successfully negotiated program targets with MD and that have been recommended for award will be completed by the Office of Acquisition and Assistance. **USAID reserves the right to issue awards without discussions.**

## SECTION B – PROGRAM DESCRIPTION

### ENTERPRISE DEVELOPMENT IMPLEMENTATION GRANTS PROGRAM; LINKING ECONOMIC GROWTH TO POOR HOUSEHOLDS

#### A. BACKGROUND

##### *Ten Years of Microenterprise Innovation at USAID*

In June 1994, USAID launched an initiative to promote microenterprise development as an important part of the Agency's economic growth efforts. The Microenterprise Innovation Project (MIP) provided the framework around which the Microenterprise Development office (MD) was created. The MIP remains the major vehicle through which MD implements the Agency's Microenterprise Initiative. Under the Initiative, USAID has committed itself to four principles in designing and implementing microenterprise programs:

1. Maintaining focus on women and the very poor, particularly through support for poverty lending,
2. Helping implementing organizations reach greater numbers of people,
3. Supporting institutional sustainability and financial self-sufficiency among implementing organizations, and
4. Seeking improved partnerships with international and local organizations in the pursuit of microenterprise development.

The Microenterprise Development Policy Paper, issued in 1995, defined at the time the operational goals and the best practice techniques approved by the Agency. In 2001 the Committee of Donor Agencies for Small Enterprise Development - of which USAID is a part - defined best practices for interventions targeting non-financial service delivery. (available online at [www.microlinks.org](http://www.microlinks.org).) The Microenterprise Initiative was renewed in June 1997, and passage of the Microenterprise for Self Reliance Act of 2000 reinforced a commitment to those principles. In 2004 the U.S. Congress passed the Microenterprise Results and Accountability Act (HR 3818), once again reinforcing the U.S. Government commitment to high standards for reaching the poor through microenterprise development.

The MIP includes a range of activities designed to promote industry building and knowledge generation as well as supporting USAID's field missions. In addition to the Enterprise Development Implementation Grant Program, these programs include:

- *Financial Services: Implementation Grant Program (FS IGP).* USAID/MD has nearly 20 active implementation grants collectively valued at nearly \$20 million. The FY 2006 FS IGP will employ innovative ideas to (1) increase access to financial services for the very poor, (2) and through participation in a learning network, generate replicable processes, tools and methodologies for reaching the very poor. USAID/MD plans to award approximately 5 cooperative agreements valued between \$750,000 and \$1.5 million over a period of three years in FY 2006.

- *Leader with Associates (LWA) project.* USAID/MD awarded a Leader with Associates (LWA)<sup>3</sup> cooperative agreement called the Financial Integration, Economic Leveraging, Broad-Based Dissemination and Field-Support program. The value of the Leader award is valued at \$10 million over five years and will support a broad range of microenterprise activities. FIELD can accept up to \$340 million in associate awards.
- *Practitioner Learning Program (PLP).* The PLP supports practitioner-led action research agendas with small grants up to \$75,000 to facilitate better access to a range of financial and non-financial services. Managed by the Small Enterprise Education and Promotion (SEEP) Network, and similar to the ED IGP program, PLP grant recipients established a learning network and share experiences and document findings.
- *Program for Innovation in Microenterprise (PRIME).* The PRIME Fund co-finances mission-designed and managed microenterprise activities. PRIME funds assist missions in accomplishing their own objectives while encouraging missions to make definitive advances in their support of microenterprise development. Mission investments up to \$750,000 are matched by MD funds. In FY 2005, USAID/MD distributed \$2 Million in PRIME funds to USAID Mission programs.

*The Accelerating Microenterprise Advancement Project (AMAP).* AMAP is a field support and knowledge generation series of Indefinite Quantity Contracts focused on developing strategies and tools to integrate micro and small enterprises into Agency programs. In total, AMAP can accept up to \$180 million in activity orders. AMAP research products and themes are separately described at [www.microlinks.com](http://www.microlinks.com). The AMAP IQC's also include *Grants under Contract (GUC)*. The GUC offers grant funding to non-profit organizations to advance the Agency's microenterprise learning agenda. Grants are for up to 3 years in duration for budgets ranging between \$25,000 and \$250,000.

### ***2006 and Beyond: the IGP as a Tool for Knowledge Generation***

The U.S. Agency for International Development's Microenterprise Development office (MD) is pleased to announce the Implementation Grant Program (IGP) for FY 2006. USAID is committed to an economic growth strategy that promotes poverty reduction and/or the economic empowerment of poor people. Microenterprise development has been recognized around the world as an important means to this end. MD has an explicit microenterprise goal to increase the breadth and depth of benefit accruing to poor households. USAID supports the development of innovative approaches that achieve greater economic growth while reducing poverty. Poverty reduction is defined here as increases in the number of poor people benefiting from economic activities as well as the magnitude to which they benefit.

While MD has maintained a relatively consistent goal in terms of growth and poverty reduction, the broader field of enterprise development has undergone numerous paradigm shifts. By the late 1990s, lessons from project activities of the Committee of Donor Agencies for Small Enterprise Development, an inter-agency group made up of bilateral and multilateral donors which includes USAID, produced a trend toward a 'market development' perspective and away from public-service provision or direct, project-level support to enterprises. In the late 90s, the Committee supported a series of conferences and papers to explore the implications of a new approach to providing

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<sup>3</sup> An LWA is a competitively awarded USAID assistance instrument managed by a pillar bureau to implement its specified worldwide program (Leader Award) and a source of support for other AID/W office and mission-funded activities that are included within the scope of the worldwide program (Associate Award).

business services to enterprises; and produced some important guidelines and key principles that are relevant to private-sector and trade development. These principles include: (1) the importance of clearly identifying the market failure or failures an intervention is attempting to address; (2) a reduced role for governments, donors, and project implementers, who should act as market 'facilitators' rather than players, in combination with an expanded role for private firms; (3) avoidance of highly subsidized or entirely free services, and (4) increased local capacity with a carefully planned exit strategy by donors and project implementers, so that impacts are sustainable.

A new generation of programs has emerged to promote economic growth, competitiveness and trade. These new programs have the implicit, if not explicit, recognition that by actively seeking to understand the demands of international or national buyers and, in turn, helping local firms to learn how to meet these demands, programs are more likely to induce sustainable change. While past projects focused on the supply-led activity of *export promotion*, newer projects tend towards a demand-led emphasis on fostering *market responsiveness*. What used to be referred to as market access in the 1990s - that is, helping firms find a way to penetrate foreign markets - is today considered valuable but only a part of a larger integrated strategy. This broader strategy is increasingly viewed within the context of the value chain and/or clusters and follows the following framework:

1. *Identifying competitive advantage*. End-market demand characteristics determine how or even whether an MSE dominated-value chain can achieve competitive advantage in terms of:
  - Efficiency - the price at which the value chain can get an acceptable (i.e., minimal quality requirements) product or service into the hands of the consumer;
  - Differentiation - the uniqueness of the product or services in terms of its price/quality ratio and brandability (e.g., fair trade, social issue, design and/or purchase cache, etc.) relative to other competitive products or services; and
  - Demand - the ability of the value chain to affect change in demand characteristics to better meet local capacities (i.e., shift in demand from commodity coffee to specialty coffee).
2. *Designing a commercial upgrading strategy for the value chain to turn competitive advantage into competitiveness*. Industries or value chains must have the ability to resolve key constraints and take advantage of opportunities if they are to make their competitive advantage pay off in terms of real growth. In order to accomplish this, projects must foster commercially grounded mechanisms that can address critical constraints and take advantage of opportunities so that an industry will achieve the most appropriate combination of efficiency, differentiation, and affect on demand for a given end market. A commercial upgrading strategy prioritizes the constraints and opportunities based on an understanding of the whole value chain, including the enabling environment, and the vision of competitive industry. A commercial upgrading strategy targets constraints and opportunities in the following areas:
  - Enabling environment - the rules that incite small firm participation in markets that are affected by international standard and treaties, national policies and practices, and local norms and enforcement practices;
  - Vertical linkages/cooperation - how firms along a value chain interact that allows or does not allow risks to be shared; information, skills, and know-how to be pushed from those who have it to those who need it; and changing demand characteristics to drive effective supply responses. The links can be defined in terms of "up the chain"



- between international buyers and national exporters - as well as “down the chain” - in the form of backward linkages to small producers and/or producer groups;
- Horizontal linkages/cooperation - how like firms (e.g., performing the same function along a value chain) interact with each other, allowing or not allowing joint constraints to be addressed: such as high transaction costs, limited external economies, and limited innovation and learning;
- Supporting markets - how markets for financial, sector-specific and non-sector specific services/product function or do not function in order to allow MSEs to access inputs, capital, know-how, skill-sets, etc. that are required to contribute to and benefit from the competitiveness of an industry; and
- Firm-level upgrading - how firms invest or upgrade in order to be able to compete in markets. Upgrading requires access to supporting markets (finance, business services, and improved inputs) as well as appropriate incentives - such as economic returns - to motivate firm-level investment. Upgrading can include product development, improved production processes and new value-added activities.

3. *Ensuring the sustainability of competitiveness.* Achieving growth over time necessitates that an industry/value chain be able respond to changing market demands efficiently and effectively. This capacity to respond effectively over time requires improvements in the nature and types of relationships, the way in which learning and innovation are valued, and breadth and depth of benefits.

- a. Relationships among firms in a chain matter. Relationships that are more transparent, longer-term, and focused on industry level goals are critical to an industry's ability to respond and adapt to a dynamic competitive environment.
- b. Learning and innovation needs to be valued. Learning and innovation happen only when incentives are in place to encourage firms to invest in learning and/or risk adapting innovations. When learning and innovation are not an integral part of an industry's norms that industry's competitive position cannot be sustained.
- c. Benefits must be broadened and deepened. Benefits accrue to entrepreneurs in terms of incomes and reduced risks. For industries to maintain their competitiveness, benefits must be sufficient enough to encourage taking on new risks and adopting innovations.

The FY 2006 ED IGP will continue the evolution of this emerging field of value chain/industry-based approaches to enterprise development, while ensuring the participation and improved benefits to micro- and small enterprises (MSEs). In particular, applicants must demonstrate that they understand and can apply approaches that foster commercially grounded solutions to constraints at all points along the value-chain, while promoting win-win relationships that allow micro- and small enterprises and poor house-holds to learn, contribute, and benefit from their participation in growing industries or value chains.

Another important evolution that will continue and be expanded in this RFA is the transition of MD to a knowledge-based office that can more effectively meet the broader knowledge and learning needs of USAID and the microenterprise development (MED) community. This ED IGP for FY 2006 is an integral part of MD's transition to a knowledge-based office, and the IGP Learning Network will be an important platform for our partners to share their learning with USAID and the broader community.

### ***What is a Value Chain Approach to Economic Growth with Poverty Reduction?***

This FY 2006 IGP Request for Applications (RFA) solicits applications that focus on private-sector development strategies that target industries where the poor are concentrated. Applicants should improve the competitiveness of value chains where significant numbers of small firms participate, fostering small firm access to competitive subsectors or value chains, while ensuring MSE access to the upgrading services - such as finance, business services, and improved inputs - needed to compete in global, regional, national, and/or local markets on a sustainable basis.

Applicants must demonstrate that their approach will foster greater MSE contributions to value chain competitiveness and result in growing MSE benefits from this contribution. MSE benefits, however, cannot be taken for granted. Participation is not tantamount to gain. To enhance MSE benefits, applicants must pay attention to value-chain governance, to associated incentives or disincentives for upgrading, and to opportunities for changing power asymmetries in favor of MSEs, including expanding market options, enhancing MSE opportunities to gain more value added, and ensuring access to market information, inputs, and other upgrading services.

#### **B. PROGRAM OBJECTIVES**

The overarching program goal of this FY 2006 IGP RFA is to increase economic growth at an industry level and reduce poverty at the household level. To achieve this growth with poverty reduction goal, FY 2006 IGP program objectives include:

1. Improving the competitiveness of industries in which large numbers of MSE participate and might benefit;
2. Fostering the sustainability of competitiveness so as to enable firms and industries to respond to market demands both in the short and long run;
3. Increasing the breadth and depth of benefits at the industry, MSE and household levels; and
4. Testing and documenting new and innovative approaches that promote economic growth that reduces poverty.

#### **C. ILLUSTRATIVE ACTIVITIES**

To achieve these objectives, the applicant shall propose an approach that: (1) defines an industry's competitive advantage, (2) identifies and prioritizes the main constraints limiting competitiveness as well as opportunities available for converting competitive advantage into competitiveness; and (3) describes a sustainable commercial upgrading strategy that improves relationships, fosters learning/innovation, and increases the breadth and depth of benefits.

The following provide components of a value chain/industry-based approach with illustrative activities and results:

## **1) Defining Competitive Advantage**

### **End Markets**

End market channels for an industry can be local, regional, and/or international. The characteristics of a product or service that drives demand (i.e., efficiency, differentiation, and influence on demand) define how competitive advantage can be achieved. In addition, products/services fall along a path from highly differentiated to undifferentiated will have a substantial impact on how or whether an industry can compete. Differentiated products/services typically can receive a premium, while undifferentiated products and services compete on their ability to achieve efficiency and scale. In highly distorted markets, MSEs can compete and benefit even in undifferentiated market, but there are often time limitations. Applicants shall propose activities to assess where and how MSE-dominated industries can achieve competitive advantage.

The illustrative activities for end markets include, but are not limited to, the following:

- 1 Assess key end-market demand characteristics within the context of efficiency, differentiation, and ability to affect change in demand<sup>4</sup> to determine the best potential for the selected industry(ies) to achieve competitive advantage.
- 2 Assess the nature of MSEs' current competitive position vis-a-vis the potential for longer-term competitiveness, potential for maintaining market position, accrual of benefits, nature or relationships, and incentives for learning and innovation.
- 3 Assess ways in which MSEs can take ownership of a product's or service's unique demand characteristics (geography, social, skill set, etc.) so that they can contribute to and benefit from the overall industry competitiveness.

## **2) Commercially upgrading the value chain to realize competitive advantage**

Commercially upgrading an industry requires an assessment and prioritization of critical constraints and opportunities along the value chain that limit the industry's ability to turn competitive advantage into real growth. The process of identifying and prioritizing requires running all the constraints through filters defined by: (1) the vision for competitive advantage, and (2) the potential impact of removing the constraints or taking advantage of the opportunity.

### **a. Enabling Environment**

*Local economic development and legal and regulatory enforcement capacity.* Local government efforts and enforcement practices affect the ability of the private sector to participate in and benefit from market opportunities. Poor local government operations and enforcement of legal and regulatory regimes increase transaction costs, informality, and commitment failure risks, and shortens business cycles limiting investments in relationships and upgrading.

The illustrative activities for local economic development and legal and regulatory enforcement capacity include, but are not limited to, the following:

- 1 Assess the selected industries to identify the constraints and opportunities related to the local enabling environment;
- 2 Facilitate activities that reduce the effects of poor or corrupt local enforcement practices,

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<sup>4</sup> Creating competitive advantage in this way is illustrated by fair trade, organic and/or specialty coffee as they represent consumer demand characteristics that can be taken advantage of.

- including advocacy, cost analyses, and private sector services;
- 3 Improve enabling environment incentives for transparent business practices and to reduce informality; and
- 4 Facilitate activities that foster alternative disputes resolution

*National policy assessment, reform and development, including private sector participation.* National policy development process, including the end policies can have dramatic effects on the functioning of markets and enterprises. Unclear or non-transparent processes for policy development limit incentives to effectively monitor and evaluate implementation and enforcement practices leading to a lack of accountability and increased corruption.

The illustrative activities for national policy development include, but are not limited to, the following:

- 1 Assess the selected industries to identify the constraints and opportunities related to the national enabling environment;
- 2 Facilitate activities that limit the effect of poor national policies, including policies that favor larger businesses and encourage greater informality including policies on taxes, research, and registration;
- 3 Facilitate activities that limit the effect of policies that increase transaction costs and limit new investment in infrastructure, education, and healthcare;
- 4 Facilitate activities that limit the effect of policies that weaken key supporting markets like finance and agricultural -inputs; and
- 5 Facilitate activities that foster greater advocacy and clarity regarding the costs to MSEs of poor policies.

*International agreements and market standards.* An increasingly important trend is the extent to which international agreement organizations such as WTO or private sector industry organizations like EUREPGAP are driving policies on how business is conducted even at local levels.

The illustrative activities for international agreements and market standards include, but are not limited to, the following:

- 1. Assess the selected industries to identify the constraints and opportunities related to the international enabling environment;
- 2. Assess the cost/benefit to the broader industry when MSE dominated industries try to meet international standards;
- 3. Facilitate activities that advocate for modified compliance regimes in order to limit the negative impacts, including increased transaction costs for MSEs, increased commitment failure risk, increased costs of upgrading MSEs, etc.; and
- 4. Facilitate activities that foster compliance in order to drive needed changes in improved inputs, management practices, and operational practices.

#### **b. Inter-firm Cooperation and Coordination**

*Vertical Linkages.* MSEs often are not connected to value chains that reach beyond their local community. Facilitating the establishment of these linkages on a rational and commercial basis is often one of the initial steps needed to provide MSEs access to more promising market opportunities. Lead firms, including exporters and processors, may not have adequate linkages to local, regional, and international markets. In particular, links to regional and export markets may be limited and/or predatory where the lead firm has limited negotiating power.

The illustrative activities for vertical linkage services include, but are not limited to, the following:

1. Assess the selected industries to identify the constraints and opportunities related to vertical inter-firm cooperation;
2. Facilitate activities to foster lead firms to provide access to a range of new markets for MSEs including local, national, regional, and international;
3. Facilitate activities to enable lead firms to provide new information, skills, and know-how to MSEs;
4. In order to limit the effects of high transactions costs and limited ability to achieve economies of scale, facilitate activities that encourage lead firms to act as catalysts for organizing MSEs, including incorporating MSEs into a larger production systems that provide production efficiencies, coordinates inputs, and organizes output collection;
5. Facilitate activities that incentives subcontracting and forward contracting between lead firms and MSEs in order to limit the amount of market risks facing MSEs; and
6. Facilitate activities that foster MSEs as flexible production resource for lead firms that can be less expensive than maintaining production capacity within the firm.

*Horizontal Linkages.* Horizontal cooperation occurs between like-firms - e.g., between small producers and/or between exporters. The incentive underlying horizontal cooperation can be improved bargaining power, improved ability to meet quantity demands of buyers, and/or reduced transaction costs for buyers. Although horizontal cooperation should be fostered at every level where a joint constraint arises, MSE cooperation is often necessary if MSEs are to contribute to and benefit from competitive industries. MSE cooperation can take the form of informal or formal groupings, as well as networks managed through a third party (e.g., lead firm, broker, trader, etc.).

The key to gaining value from horizontal cooperation is the recognition of a joint constraint or constraints that require joint action. The intervention approach to fostering horizontal linkages will be dependent on the end result desired and the unique cultural and market context in which MSEs operate. Cooperation at trader and lead-firm levels needs to focus on joint or shared constraints. Cooperation that limits internal competition (i.e., price fixing and/or collusion) should be addressed through increased competition through alternative links.

The illustrative activities for horizontal linkage services include, but are not limited to, the following:

1. Assess the selected industries to identify the constraints and opportunities related to horizontal inter-firm cooperation;
2. Facilitate cooperation that helps MSEs to deliver on quality and quantity requirements;
3. Facilitate cooperation that reduces transaction costs by aggregating logistics requirements and reducing per unit costs of inputs by bulk purchases;
4. Facilitate cooperation that fosters sharing of market information, establishes social capital based around shared market interests, generates learning, and allows for functional upgrading (i.e., moving to a higher value added function along the value chain);
5. Facilitate cooperation that fosters MSEs to meet shared commitments to lead firms due to social pressure, especially if the relationships include a range of embedded services and contracting mechanisms that reduce market risk;
6. Facilitate cooperation that fosters MSEs to develop the volume and bargaining power needed to stand on a more equal basis with lead firms; and
7. Facilitate cooperation to increase MSE attractiveness to input providers and lead firms leading to better more sustainable relationships.

### c. Supporting Markets

*Supporting Markets.* Without access to appropriate finance, many small producers get stuck in low-investment/low-return economic activities. To illustrate, lack of finance may prevent a farmer from planting his/her crop or reaching the optimal market for a product. Likewise, financial constraints can have negative effects on processors or traders, preventing them from expanding and thus limiting the amount of product they can buy from local producers. Appropriate finance at the right time can mean greater efficiency, improved quality, and increased incomes. Relationships between actors in the value chain may facilitate financial flows either directly (from one value-chain actor to another) or indirectly (by making the potential client more attractive to financial institutions).

Finance has to include both supplier/value chain finance and third-party finance. Interventions to foster supplier/value chain finance needs to be provided within the context of strengthening a robust market for financial service.

The illustrative activities for supporting markets services include, but are not limited to, the following:

1. Assess the selected industries to identify the constraints and opportunities related to financial services;
2. Facilitate activities that foster the viable delivery of financial services whether through the value chain (i.e., value chain financing - see financial services diagram in appendix) and/or through a stand alone provider such as a micro-finance institutions or banks;
3. Facilitate activities that strengthen financial service providers that are active or could be active in financing MSEs in the selected industry; and
4. Facilitate activities that promote new tailored financial products that will benefit MSEs in competitive value chains, including leasing, warehouse receipts, insurance, and guarantees. These products may benefit MSEs indirectly through input supplier or buyer credit.

*Sector Specific.* Agricultural -inputs and services like seeds, fertilizers, and tractor services need to be provided by market actors to assure sustainable delivery and to foster greater flows of information, knowledge, and skills regarding production (i.e., encourages innovation).

The illustrative activities for sector specific services include, but are not limited to the following:

1. Assess the selected industries to identify the constraints and opportunities related to the sector specific services and products;
2. Facilitate viable sector specific supporting markets that deliver new technology, inputs, and/or important output services;
3. Facilitate innovation in payment mechanisms or product offers that are tailored for MSEs; and
4. Facilitate increased flows of embedded services from providers of support services or products to MSEs.

*Non-Sector Specific.* Generalized business services such as business skills, management, and marketing are less relevant to value chains that are dysfunctional or disconnected. Demand for these services typically follows the growth of demand for sector-specific services. These services are more effective at the lead firm level (especially in export industries) as those firms have to have competencies to compete in more mature markets.

The illustrative activities for non-sector specific services include, but are not limited to, the following:

1. Assess the selected industries to identify the constraints and opportunities related to the non-sector specific services and products;
2. Facilitate viable non-sector specific supporting markets that deliver services or products (i.e., legal, accounting, management, marketing information, ICT; and
3. Facilitate innovation in payment mechanisms or product offers that benefit MSEs (even if not directly delivered to MSEs).

#### **d. Firm-level Upgrading**

*Firm-level upgrading* includes improvements in product design or development, process or production techniques, value-added upgrading that incorporates new functions in the chain, and improved access to new market channels. In order for firms to be willing to invest in upgrading, the risks must be manageable and the incentives sufficient.

The illustrative activities for firm-level upgrading services include, but are not limited to, the following:

1. Assess the risks and benefits to upgrading for MSEs;
2. Analyze opportunities for functional upgrading and the support needed to assume new functions in a chain; and
3. Assess the support services needed by MSEs to upgrade.

### **3) Ensuring the Sustainability of Competitiveness**

Sustaining competitiveness requires that the market system - within which industries and firms operate -functions so as to allow for:

- the efficient flow of goods, services, and money,
- effective exchange of information on market demand, prices, standards;
- constant learning, innovation and adaptation in response to market demand; and
- a fair distribution of benefits throughout the industry.

Market systems that are stagnant, in which predatory behavior prevails over transparent interactions, information is guarded rather than shared, and benefits and bargaining power are asymmetric are generally unable to respond to the dynamic demands of markets. Rather than investing in the good of the industry, firms in these dysfunctional market systems often look out for their own interest. In the end, this behavior undermines their own and the industry's competitiveness.

To maintain competitiveness over time, market systems must be characterized by:

- win-win relationships;
- learning and innovation; and
- broad and deep distribution of benefits.

Moreover, programs can foster win-win relationships, learning and expanded depth and breadth of benefits in order to improve the functioning of market systems and the potential for both current and future competitiveness.

*Relationships.* The wielding of power in relationships in the value chain shapes the incentives that drive behavior and determine to a great extent who and how much certain actors benefit from their participation in an industry. Relationships can range from highly dependent where one party dominates to balanced where all parties involved have some power that they can wield. Within any given industry, relationships can cover the full range and they can shift depending on shifting market demands. Power in commercial relationships primarily comes from owning the key determinant or determinants that drive demand. For example, un-branded food products are typically purchased based on the confidence the customers have in the retail store selling the food. In this case, the retail store often wields the power. If the product is branded and that product has strong consumer demand then the power usually resides with the manufacturer (owners of the product brand - e.g., coke). If the brand is defined by locality, skill-set, and/or social story then the power rests with the entity that owns those determinants.

The more transparent, longer-term, and focused the relationships regardless of power asymmetry the greater the clarity both parties have in terms of the cost and benefits to doing business. Highly informal, arms length relationships often encourages increased commitment failure risk of MSEs, predatory behavior of lead firms and traders, and an unwillingness for any party to risk innovation since benefits, costs, and mutual dependency are unclear.

*Learning and Innovation.* The process of acquiring new knowledge or skills is not necessarily a straight forward process. Learning and innovating in a systemic sense is closely tied to the incentives that encourage/discourage delivery and absorption of new knowledge or skills as well as the types of mechanisms in place that can transfer skills and knowledge. What is straight forward is that for any industry to generate wealth over time, it needs to operate in a competitive environment that encourages innovation to improve basic firm operations, inter-firm cooperation, vertical linkages, and markets for services and products that support the value chain. In order for firms and industries to constantly innovate for better performance there has to be mechanisms whether internal (staff to staff or firm to firm as part of another transaction) and/or external (firm to firm exchange specific to the transfer of skills and know-how) to the firm and industry that push new skills and know-how from where it is located to where it is needed. The industries that institutionalize learning mechanisms are the most competitive.

*Benefits.* Closely related to the concepts of power relationships and learning is the idea of benefits. In the context of MSE development, benefits are much broader than just increases in income, although that is an important part of the equation. Benefits can also mean reduced market risk (more stable income) and increased value of assets. The dynamics that drive where and how benefits accrue are tied to how power is wielded (who owns the determinant of a sale) and/or whether innovation and learning are actively encouraged through appropriate mechanisms. The distribution of benefits depends not only on these factors, but also on the strength of a value chain's infrastructure (quality of enabling environment, the number and nature of vertical linkages, the effectiveness of cooperation to address joint constraints, and the depth and robustness of supporting markets). Artificial or highly distorted distribution structures that come about due to a poor enabling environment, predatory behavior in vertical linkages, lack of effective response to joint constraints, and/or weak or non-existent support markets can exacerbate a cycle of behavior that skews the flows of benefits and ultimately limits the competitiveness of an industry.



## D. RESULTS

### D 1. INDICATORS FOR RESULTS

The FY 2006 ED IGP is meant to promote growth and competitiveness at the industry level, increased revenues and profits at the firm level, and reductions in poverty at the household level. Expected indicators are listed in Table 1 (below). Household indicators are not included in Table 1 but should be part of an initial impact assessment. Applicants should propose program targets using the below indicators in Table 1. If the below indicators are inappropriate to the proposed intervention, applicants should propose other indicators and targets more appropriate to gauge project performance. New indicators should be justified accordingly.

TABLE 1 Indicators for Results	Prior Year <sup>5</sup>	Targets		
		YR1	YR2	YR3
<b>Scale of Benefits</b>				
Number of MSEs assisted by the project				
Number of supporting market MSEs assisted by the project				
Number of lead firm SMLEs assisted by the project				
Number of women-owned/managed MSEs assisted by the project				
Percent of women-owned/managed MSEs assisted by the project as a percent of total MSEs assisted by the project				
<b>Depth of Benefits</b>				
Sales/income <sup>6</sup> of MSEs assisted by the project				
Sales/income of supporting market MSMEs <sup>7</sup> assisted by the project				
Sales/income of lead firm SMLEs <sup>8</sup> assisted by the project				
Sales of the level of the value chain <sup>9</sup> targeted by the project				
<b>Production Level</b>				
Productivity (e.g., output per worker or acre)				
Cost per unit produced				
Number of new products being produced	n/a			
<b>Supporting Markets (F, SS, NSS)</b>				
Number of new sector-specific <sup>10</sup> technologies/services/products available	n/a			
Number of new financial services/products available	n/a			
Number of new non-sector specific <sup>11</sup> technologies/services/products available	n/a			
<b>Lead firm/Exporter/Processor</b>				

<sup>5</sup> Prior year refers to historical data from previous year.

<sup>6</sup> Sales/income refers to aggregate, e.g. total sales of all assisted MSEs.

<sup>7</sup> Supporting market MSMEs refers to micro-, small-, and medium-sized enterprises that provide business services and/or financial services to value chains actors. This does not include embedded service providers who do not charge for services.

<sup>8</sup> "SMLEs" refers to small, medium and large enterprises.

<sup>9</sup> Change in sales at the value chain level refers to sales to final consumers. Please provide justification if applicant is unable to collect or find this data.

<sup>10</sup> Sector specific services refers to embedded services.

<sup>11</sup> Non-sector specific services refers to services provided by stand-alone providers

TABLE 1 Indicators for Results	Prior Year <sup>5</sup>	Targets		
		YR1	YR2	YR3
Number of new production/management techniques adopted	n/a			
Number of new marketing approaches adopted	n/a			
Number of new end markets accessed	n/a			
<b>Relationships</b>				
Number of MSEs linked to lead firms				
Number of MSEs cooperating with one another to sell to a lead firm				
Number of MSEs with purchasing or acquiring <b>new</b> supporting services <sup>12</sup>	n/a			
Number of MSEs cooperating with one another to purchase or acquire a <b>new</b> supporting service	n/a			

## D2. LEARNING NETWORK

Through the Practitioner Learning Program (PLP), USAID/MD has created learning networks around core thematic areas of mutual concern in both the financial services and business development fields.

Current ED IGP recipients are organized into a voluntary learning network around the following themes: Patterns of Effective Facilitation, Win-Win Relationships, and Facilitation of Sustainable Impact. IGP network members work collaboratively to develop case studies around these themes. USAID/MD envisions the continuation of a Learning Network perhaps around new and/or additional themes.

Integration of new IGP members into the network is voluntary. Regardless as to whether applicants elect to participate in this learning network, each application is expected to articulate areas for learning that could both advance the field of enterprise development as well as applicant's performance.

## E. REPORTING

The following reports will be submitted to the USAID Cognizant Technical Officer: (1) Biannual reports, including quantitative data in Table 1 and narrative on project performance towards goals and objectives, discussion of the learning agenda and budget. A final report, summarizing accomplishments, challenges, a synthesis of lessons related to the learning agenda, and budget is due 90 days after the closing date of the agreement. (3) Each ED IGP grantee will be required to specify the activities to be undertaken by submitting a yearly work plan for MD approval unless otherwise determined by the Cognizant Technical Officer.

## F. SUBSTANTIAL INVOLVEMENT

USAID/MD will be substantially involved during the period of the cooperative agreement. Specifically, the USAID Cognizant Technical Officer (CTO) will provide:

1. Approval of the recipient's annual work plan.
2. Approval of specified key personnel.

<sup>12</sup> Supporting services refer to business or financial services or products

3. Agency and recipient collaboration or joint participation. The following are examples of appropriate levels of substantial involvement:

- a. Concur on the selection of sub award recipients and/or the substantive provisions of the subawards;
- b. At inception of the project, approval of the recipient's monitoring and evaluation plan;
- c. Agency monitoring to permit specified kinds of direction or redirection because of interrelationships with other projects. All such activities must be included in the Program Description and negotiated in the budget of the award; and
- d. Approval for all action research deliverables.

#### **G. PROGRAM INCOME**

Program income is gross income—earned by a grantee, a consortium participant, or a contractor under a grant—that was directly generated by the grant-supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed; charges for the use or rental of real property, equipment or supplies acquired under the grant; the sale of commodities or items fabricated under an award; charges for research resources; and license fees and royalties on patents and copyrights. (Note: Program income from license fees and royalties from copyrighted material, patents, and inventions is exempt from reporting requirements.)

In accordance with 22 CFR 226.24, program income earned during the project period shall be retained by the recipient and, in accordance with USAID regulations, other implementing guidance, or the terms and conditions of the award, shall be added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives. The amount of program income earned and the amount expended must be reported on the Financial Status Report (FSR) (SF 269—Long Form).

#### **H. KEY PERSONNEL**

The Headquarters Technical Backstop and Field Program Manager are considered key personnel and required for successful completion of the objectives of any potential awards. Replacement or diversion of these personnel is subject to approval by the USAID Cognizant Technical Officer and Agreement Officer.

## **SECTION C - SELECTION CRITERIA**

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Applications that are not technically acceptable will not be evaluated and will not receive further consideration. The cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability.

The applicant's cost share contribution will be reviewed for cost realism and to verify that the applicants meet the standards set in 22 CFR 226.23 for U.S. organizations, or the Standard Provision entitled "Cost Sharing" for non-U.S. organizations (See 22 CFR 226.23; and Standard Provisions for Non-U.S. Nongovernmental Recipients).

To the extent that they are necessary (if award is not made based on initial applications), negotiations will then be conducted with all applicants whose application, after discussion and negotiation, has a reasonable chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered.

### **A. Description of Selection Criteria**

During the qualification phase, all applications will be evaluated utilizing the following evaluation criteria. Applications should be submitted with a clear indication of how the activities will meet the following program objectives and criteria:

#### **1. Market/Value Chain/Competitiveness Analysis and Clear Linkages to Intervention (20 points)**

Quality and clarity of the applicants analysis and understanding of the characteristics of the value chain or industry, including (a) the end market (location of end market - whether international, regional, national and/or local and competitiveness of end market product(s)), (b) the enabling environment at international, national and local levels; (c) inter-firm cooperation - vertical linkages; (d) inter-firm cooperation - horizontal linkages; (e) firm-level upgrading (what is needed and/or what incentives and/or disincentives exist for upgrading); (f) supporting markets (needs for and constraints to accessing financial, sector-specific and non-sector specific services).

#### **2. Technical Approach for Reaching Large Numbers of Poor Households (30 points)**

Realism of approach/innovation that will be used to reach poorer clients, to improve the competitiveness of the targeted industry or value chain, and/or achieve significant scale in terms of numbers of poor MSEs benefiting.

Credibility of plan to achieve expected program targets as defined in Table 1 (section D1) and proposed impacts.

**3. Learning and Innovation (20 points)**

Clarity of learning agenda and relevance of proposed agenda to the overall Enterprise Development community.

**4. Exit Strategy/Sustainability Plan (20 points)**

Applications will be evaluated on the credibility of the proposed plan ensuring the sustainability of program impacts after the program period. The plans should include a realistic timetable for how and when the implementing organization (or facilitator) will exit from the market, withdrawing all subsidies and leaving behind sustainable supporting markets, improved inter-firm cooperation, and an ability to respond to changes in market demand.

**5. Past Performance, Personnel Experience, and Institutional Capacity (10 points)**

Applications will be gauged on their record of performance in designing and supporting relevant, innovative and market-led programs that have achieved effective impact, scale, depth of outreach, and sustainability during the last five years.

The experience of personnel proposed to carry out the proposed project will also be evaluated.

## **SECTION D**

### **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

#### **CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT [1][2]**

##### **PART I - CERTIFICATIONS AND ASSURANCES**

###### **1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS**

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the grant for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which was approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States

shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

## **2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

### **(a) Instructions for Certification**

(1) By signing and/or submitting this application or grant, the recipient is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the grant. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For recipients other than individuals, Alternate I applies.

(4) For recipients who are individuals, Alternate II applies.

### **(b) Certification Regarding Drug-Free Workplace Requirements**

#### **Alternate I**

(1) The recipient certifies that it will provide a drug-free workplace by:

(A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(B) Establishing a drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The recipient's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(C) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (b)(1)(A);

(D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the grant, the employee will--

1. Abide by the terms of the statement; and

2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1, from an employee or otherwise receiving actual notice of such conviction;

(F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or

2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(G) Making a good faith effort to continue to maintain a drug- free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

(2) The recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

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#### Alternate II

The recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

### **3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS [3]**

#### (a) Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation



will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. [4] You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," [5] provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **4. CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### **5. PROHIBITION ON ASSISTANCE TO DRUG TRAFFICKERS FOR COVERED COUNTRIES AND INDIVIDUALS (ADS 206)**

USAID reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [Grantee/ Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

The recipient has reviewed and is familiar with the proposed grant format and the applicable regulations, and takes exception to the following (use a continuation page as necessary):

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Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Recipient \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

[1] FORMATS\GRNTCERT: Rev. 06/16/97 (ADS 303.6, E303.5.6a) [2] When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". [3] The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. [4] See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. [5] For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

## **6. CERTIFICATION REQUIRING TERRORIST FINANCING IMPLEMENTING E.O. 13224 (REVISION 2)**

### **Certification**

By signing and submitting this application, the prospective recipient provides the certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website : <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Osama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or

entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website: <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware. d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

### 3. For purposes of this Certification-

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-

(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: <http://untreaty.un.org/English/Terrorism.asp>); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

Signed: \_\_\_\_\_  
(Typed Name and Title) Date \_\_\_\_\_

\_\_\_\_\_  
(Name of Organization)

The recipient has reviewed and is familiar with the proposed grant format and the applicable regulations, and takes exception to the following (use a continuation page as necessary):

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\_\_\_\_\_  
\_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Recipient \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**7. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. 1/ You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," 2/ without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Applicant/Subgrantee \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_

1/ See ADS Chapter 303, 22 CFR 208.

2/ For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID grant standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID grant standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).



## 8. KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

2. I am not and have not been an illicit trafficker in any such drug or controlled substance.

3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

### NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

## 9. PARTICIPANT CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Date of Birth: \_\_\_\_\_

### NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

FORMATS\GRNTCERT: Rev. 06/16/97 (ADS 303.6, E303.5.6a) When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

## 10. CERTIFICATION REGARDING MATERIAL SUPPORT AND RESOURCES

As a condition of entering into the referenced agreement, \_\_\_\_\_ hereby certifies that it has not provided and will not provide material support or resources to any individual or entity that it knows, or has reason to know, is an individual or entity that advocates, plans, sponsors, engages in, or has engaged in terrorist activity, including but not limited to the individuals and entities listed in the Annex to Executive Order 13224 and other such individuals and entities that may be later designated by the United States under any of the following authorities: § 219 of the Immigration and Nationality Act, as amended (8 U.S.C. § 1189), the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.), the National Emergencies Act (50 U.S.C. § 1601 et seq.), or § 212(a)(3)(B) of the Immigration and Nationality Act, as amended by the USA Patriot Act of 2001, Pub. L. 107-56 (October 26, 2001)(8 U.S.C. §1182). \_\_\_\_\_ further certifies that it will not provide material support or resources to any individual or entity that it knows, or has reason to know, is acting as an agent for any individual or entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity, or that has been so designated, or will immediately cease such support if an entity is so designated after the date of the referenced agreement.

For purposes of this certification, "material support and resources" includes currency or other financial securities, financial services, lodging, training, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

For purposes of this certification, "engage in terrorist activity" shall have the same meaning as in section 212(a)(3)(B)(iv) of the Immigration and Nationality Act, as amended (8 U.S.C. § 1182(a)(3)(B) (iv)).

For purposes of this certification, "entity" means a partnership, association, corporation, or other organization, group, or subgroup.

This certification is an express term and condition of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

### NOTICE:

If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

## SELF CERTIFICATION LETTER

Date

### (RECIPIENT CERTIFICATE OF COMPLIANCE)

To: The U.S. Agency for International Development  
Ronald Reagan Building/International Trade Center  
1300 Pennsylvania Avenue N.W.  
Attn: E. Darlene Bullock, Agreement Officer  
M/OP/PS/OCC  
Washington, DC 20523

I, \_\_\_\_\_, \_\_\_\_\_, as a legally  
Name (Printed or Typed Title

Authorized representative of \_\_\_\_\_ Organization Name

Do hereby certify that, to the best of my knowledge and belief, this organization's management and other employees responsible for their implementation are aware of the requirements placed on the organization by OMB Circulars, and Federal and USAID regulations with respect to the management of, among other things, personnel policies (including salaries), travel and procurement under this agreement and I further certify that the organization is in compliance with those requirements.

I, we, understand that a false, or intentionally misleading, certification could be the cause for possible actions ranging from being found not responsible for this award to suspension or debarment of this organization in accordance with the provisions of USAID Regulation 8.

I, we, further agree to instruct the accounting firm that this organization retains to perform its annual audits, as required by OMB Circular A-13, to include in their review of our internal controls sufficient testing of the implementation of our personnel, travel and procurement policies to confirm compliance with Federal and USAID requirements. The conclusion of that compliance review will be included in the A-133 audit reports submitted to the government.

I declare under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date of Execution

## **ENSURING EQUAL OPPORTUNITY FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS**

Along with the previous certifications in this Section, the following survey must be completed and submitted with the cost application.

# Survey on Ensuring Equal Opportunity for Applicants

OMB No. 1890-0014 Exp. 1/31/2006

**Purpose:** The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

**Instructions for Submitting the Survey:** If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name: \_\_\_\_\_

Applicant's DUNS Number: \_\_\_\_\_

Grant Name: \_\_\_\_\_ CFDA Number: \_\_\_\_\_

1. Does the applicant have 501(c)(3) status?

☐ Yes

☐ No

2. How many full-time equivalent employees does the applicant have? (Check only one box).

☐ 3 or Fewer

☐ 15-50

☐ 4-5

☐ 51-100

☐ 6-12

☐ over 100

3. What is the size of the applicant's annual budget? (Check only one box.)

☐ Less than \$150,000

☐ \$150,000 - \$299,999

☐ \$300,000 - \$499,999

☐ \$500,000 - \$999,999

☐ \$1,000,000 - \$4,999,999

☐ \$5,000,000 or more

4. Is the applicant a faith-based/religious organization?

☐ Yes

☐ No

5. Is the applicant a non-religious community based organization?

☐ Yes

☐ No

6. Is the applicant an intermediary that will manage the grant on behalf of other organizations?

☐ Yes

☐ No

7. Has the applicant ever received a government grant or contract (Federal, State, or local)?

☐ Yes

☐ No

8. Is the applicant a local affiliate of a national organization?

☐ Yes

☐ No

## **Survey Instructions on Ensuring Equal Opportunity for Applicants**

**name and DUNS number and the grant name and CFDA number.**

1. 501(c)(3) status is a legal designation provided on application to the Internal Revenue Service by eligible organizations. Some grant programs may require nonprofit applicants to have 501(c)(3) status. Other grant programs do not.
2. For example, two part-time employees who each work half-time equal one full-time equivalent employee. If the applicant is a local affiliate of a national organization, the responses to survey questions 2 and 3 should reflect the staff and budget size of the local affiliate.
3. Annual budget means the amount of money our organization spends each year on all of its activities.
4. Self-identify.
5. An organization is considered a community-based organization if its headquarters/service location shares the same zip code as the clients you serve.
6. An "intermediary" is an organization that enables a group of small organizations to receive and manage government funds by administering the grant on their behalf.
7. Self-explanatory.
8. Self-explanatory.

### **Paperwork Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1890-0014. The time required to complete this information collection is estimated to average five (5) minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, D.C. 20202-4651.

**If you have comments or concerns regarding the status of your individual submission of this form, write directly to:** Joyce I. Mays, Application Control Center, U.S. Department of Education, 7th and D Streets, SW, ROB-3, Room 3671, Washington, D.C. 20202-4725.

## **PART II – OTHER STATEMENTS OF RECIPIENTS**

### **1. AUTHORIZED INDIVIDUALS**

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

Name	Title	Telephone No.	Facsimile No.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### **2. TAXPAYER IDENTIFICATION NUMBER (TIN)**

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN: \_\_\_\_\_

### **3. CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER**

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at [globalinfo@dbisma.com](mailto:globalinfo@dbisma.com).

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: \_\_\_\_\_



#### 4. LETTER OF CREDIT (LOC) NUMBER

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: \_\_\_\_\_

#### 5. PROCUREMENT INFORMATION

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:

\$ \_\_\_\_\_

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

TYPE/DESCRIPTION (Generic)	QUANTITY	ESTIMATED UNIT COST
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(d) Source, Origin, and Componentry of Goods. If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity result, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

TYPE/ DESCRIPTION ORIGIN (Generic)	QUANTITY	EST. COST	GOODS UNIT	PROBABLE COMPONENTS	GOODS SOURCE	PROBABLE COMPONENTS
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(e) Restricted Goods. If the recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

TYPE/ DESCRIPTION (Generic)	QUANTITY UNIT	ESTIMATED COST	PROBABLE SOURCE	INTENDED USE
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(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country is ineligible for USAID financing.

TYPE/ DESCRIPTION (Generic)	QUANTITY UNIT	ESTIMATED COST	PROBABLE SUPPLIER	NATIONALITY for NON-US	RATIONALE
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(g) Proposed Disposition. If the recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

TYPE/DESCRIPTION (Generic)	QUANTITY UNIT	ESTIMATED COST	PROPOSED DISPOSITION
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## 6. PAST PERFORMANCE REFERENCES

On a continuation page, please provide a list of the ten most current U.S. Government and/or privately-funded contracts, grants, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person.

## 7. TYPE OF ORGANIZATION

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as ☐ a corporation incorporated under the laws of the State of, ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a state or local governmental organization, ☐ a private college or university, ☐ a public college or university, ☐ an international organization, or ☐ a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as ☐ a corporation organized under the laws of \_\_\_\_\_ (country), ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a nongovernmental educational institution, ☐ a governmental organization, ☐ an international organization, or ☐ a joint venture.

## **8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS**

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

## **PART III – MANDATORY STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS**

### **1. APPLICABILITY OF 22 CFR PART 226 (May 2005)**

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with Non-US subrecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133.

### **2. INELIGIBLE COUNTRIES (MAY 1986)**

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

### **3. NONDISCRIMINATION (MAY 1986)**

(This provision is applicable when work under the grant is performed in the U.S. or when employees are recruited in the U.S.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

### **4. INVESTMENT PROMOTION (January 1994)**

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subagreements.

## **5. NONLIABILITY (NOVEMBER 1985)**

USAID does not assume liability for any third party claims for damages arising out of this award.

## **6. AMENDMENT (NOVEMBER 1985)**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

## **7. NOTICES (NOVEMBER 1985)**

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

## **8. SUBAGREEMENTS (April 1998)**

Subrecipients and subawardees have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

## **9. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (April 1998)**

Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 11/30/2000. Identification of the Standard Provision containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are set forth below.

<u>Standard Provision</u>	<u>Burden Estimate</u>
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - Predetermined and Provisional	1

Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	1
<u>22 CFR 226</u>	<u>Burden Estimate</u>
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 - .36 Property Standards	1.5

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

#### **10. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (April 1998)**

(This provision is not applicable to goods or services which the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

(a) Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with a copy of these lists upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,

- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Used equipment,
- (vi) U.S. Government-owned excess property, or
- (vii) Fertilizer.

Prior approval will be deemed to have been met when:

- (i) the item is of US source/origin;
- (ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

(1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:

(i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) USAID Geographic Code 941, and
- (D) USAID Geographic Code 935.

(ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Compelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941), and
- (4) "Special Free World" countries (USAID Geographic Code 899).

(d) If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

(e) This provision must be included in all subagreements which include procurement of goods or services which total over \$5,000.

#### **11. USAID DISABILITY POLICY – ASSISTANCE (December 2004)**

(a) The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting



the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website:

<http://www.usaid.gov/about/disability/DISABPOL.FIN.html>.

- (b) USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

## **12. ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (JULY 2004)**

The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote, support or advocate the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked. Foreign organizations, whether prime or sub-recipients, that receive U.S. Government funds to fight trafficking in persons cannot promote, support or advocate the legalization or practice of prostitution when they are engaged in overseas activities. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.

## **13. SUBMISSION REQUIREMENTS FOR DEVELOPMENT EXPERIENCE DOCUMENTS (JAN 2004)**

The Recipient shall submit \_\_\_\_ [Note - specify number of copies, not to exceed the original and two copies] of a performance report to \_\_\_\_ [Note - specify name and title of Cognizant Technical Officer and the Agreement Officer, if desired, along with address]. The performance reports are required to be submitted \_\_\_\_ [Note - state frequency, not to exceed quarterly] and shall contain the following information \_\_\_\_ [Note - state reporting requirements, as related to the Program Description].

### **Final Report**

The Recipient shall submit the original and one copy to \_\_\_\_ [Note - specify name and title of Cognizant Technical Officer and the Agreement Officer, if desired, along with address] and one copy, in electronic (preferred) or paper form of final documents to one of the following: (a) Via E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org) ; (b) Via U.S. Postal Service:

Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA; (c) Via Fax: (301) 588-7787; or (d) Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>. The final performance report shall contain the following information \_\_\_\_\_ [Note - state reporting requirements, as related to the Program Description].

#### **14. PUBLICATIONS AND MEDIA RELEASES (JAN 2004)**

(a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_.

The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the Cognizant Technical Officer, publications, videos or other information/media products funded under this award and intended for general

readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In

addition, the recipient shall submit one electronic (preferred) or one paper copy of final documents to USAID's Development Experience Clearinghouse (DEC) in to one of the following: (A) Via E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org) ; (B) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA; (C) Via Fax: (301) 5887787; or (D) Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

(d) Electronic documents may be submitted on 3.5" diskettes or as e-mail attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a paper copy must be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF).

(e) Each document submitted should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(f) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost, as is the normal practice, any profits or royalties up to the amount of such

cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(g) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

## PART IV - REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS 303.5.3. Check off the standard provisions which are included in the award.

1.	Negotiated Indirect Cost Rates - Predetermined	<u>          X          </u>
2.	Negotiated Indirect Cost Rates - Provisional (Nonprofits)	<u>          X          </u>
3.	Negotiated Indirect Cost Rates - Provisional (For-profits)	<u>                          </u>
4.	Publications	<u>          X          </u>
5.	Participant Training	<u>          X          </u>
6.	Voluntary Population Planning	<u>                          </u>
7.	Protection of the Individual as a Research Subject	<u>                          </u>
8.	Care of Laboratory Animals	<u>                          </u>
9.	Title to and Care of Property (Cooperating Country Title)	<u>          X          </u>
10.	Public Notice	<u>          X          </u>
11.	Rights in Data	<u>          X          </u>
12.	Communications Products	<u>                          </u>
13.	Cost Share	<u>          X          </u>

### 1. NEGOTIATED INDIRECT COST RATES - PREDETERMINED (April 1998)

(This provision is applicable to educational or nonprofit institutions whose indirect cost rates under this award are on a predetermined basis.)

(a) The allowable indirect costs shall be determined by applying the predetermined indirect cost rates to the bases specified in the schedule of this award.

(b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed predetermined indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, the proposed predetermined indirect cost rates, and supporting cost data to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon predetermined rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the specific items treated as direct costs. The indirect cost rate agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of predetermined indirect costs rates for any fiscal year, the recipient shall be reimbursed either at the rates fixed for the previous fiscal year or at billing rates acceptable to the USAID Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

## **2. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (April 1998)**

(This provision is applicable to any nonprofit organizations whose indirect cost rates under this award are on a provisional basis.)

(a) Provisional indirect cost rates shall be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.

(b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of final indirect cost rate(s) for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

- (f) Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.  
(END OF STANDARD PROVISION)

### **3. NEGOTIATED INDIRECT COST RATE - PROVISIONAL (Profit) (April 1998)**

This provision applies to for-profit organizations whose indirect cost rates under this award are on a provisional basis.)

(a) Provisional indirect cost rates shall be established for the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of this award. Indirect cost rates and the appropriate bases shall be established in accordance with FAR Subpart 42.7.

(b) Within six months after the close of the recipient's fiscal year, the recipient shall submit to the cognizant agency for audit the proposed final indirect cost rates and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit three copies of the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of final indirect cost rates for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

- (f) Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

(END OF STANDARD PROVISION)

### **4. PUBLICATIONS (AUGUST 1992)**

(a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the cognizant Activity Manager, publications, videos or other information/media products funded under this award and intended for general readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Activity Manager and PPC/CDIE, 1300 Pennsylvania Avenue, Room 6.07-154, Washington, DC 20523-7801, with one copy each of all published works developed under the award and with lists of other written work produced under the award.

(d) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(e) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

## **5. PARTICIPANT TRAINING (April 1998)**

(a) Definition: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.

(b) Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training, except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Office of International Training.

(c) Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through R&D/OIT.

(END OF STANDARD PROVISION)

## **6. VOLUNTARY POPULATION PLANNING (JUNE 1993)**

(This provision is applicable to all awards involving any aspect of voluntary population planning activities.)

(a) Voluntary Participation:

- (1) The recipient agrees to take any steps necessary to ensure that funds made available under this award will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the recipient agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.
- (2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Voluntary Participation Requirements For Sterilization Programs:

- (1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilization.
- (2) The recipient shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this award are performed only after the individual has voluntarily gone to the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.
- (3) Further, the recipient shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the

attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by



the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

- (4) Copies of informed consent forms and certification documents for each voluntary sterilization procedure must be retained by the recipient for a period of three years after performance of the sterilization procedure.
- (c) Prohibition on Abortion-Related Activities:
  - (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to women to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for abortion.
  - (2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.
- (d) The recipient shall insert this provision in all subsequent subagreements and contracts involving family planning or population activities which will be supported in whole or part from funds under this award.

(END OF STANDARD PROVISION)

## **7. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (April 1998)**

(This provision is applicable when human subjects are involved in research financed by the award.)

(a) Safeguarding the rights and welfare of human subjects involved in research supported by USAID is the responsibility of the organization to which support is awarded. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (the "Policy"). Additional interpretation, procedures, and implementation guidance of the Policy are found in USAID General Notice entitled "Procedures for the Protection of Human Subjects in Research Supported by USAID", issued April 19, 1995, as from time to time amended. USAID's Cognizant Human Subjects Officer (CHSO) in AID/W has oversight, guidance, and interpretation responsibility for the Policy.

(b) Recipient organizations must comply with USAID policy when humans are the subject of research, as defined in 22 CFR 225.102(d), funded by the grant and recipients must provide "assurance", as required by 22 CFR 225.103, that they follow and abide by the procedures in the Policy. See also Section 5 of the April 19, 1995, USAID General Notice which sets forth activities to which the Policy is applicable. The existence of a bona fide, applicable assurance approved by the Department of Health and Human Services (HHS) such as the "multiple project assurance" (MPA) will satisfy this requirement. Alternatively, organizations can provide an acceptable written assurance to USAID as described in 22 CFR 225.103. Such assurances

must be determined by the CHSO to be acceptable prior to any applicable research being initiated or conducted under the award. In some limited instances outside the U.S., alternative systems for the protection of human subjects may be used provided they are deemed "at least equivalent" to those outlined in Part 225 (See 22 CFR 225.101[h]). Criteria and procedures for making this determination are described in the General Notice cited in the preceding paragraph.

(c) Since the welfare of the research subject is a matter of concern to USAID as well as to the organization, USAID staff consultants and advisory groups may independently review and inspect research and research processes and procedures involving human subjects, and based on such findings, the CHSO may prohibit research which presents unacceptable hazards or otherwise fails to comply with USAID procedures. Informed consent documents must include the stipulation that the subject's records may be subject to such review.

(END OF STANDARD PROVISION)

## **8. CARE OF LABORATORY ANIMALS (NOVEMBER 1985)**

(This provision is applicable when laboratory animals are involved in research performed in the U.S. and financed by the award.)

(a) Before undertaking performance of any grant involving the use of laboratory animals, the recipient shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The recipient shall furnish evidence of such registration to the Agreement Officer.

(b) The recipient shall acquire animals used in research under this award only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.

(c) In the care of any live animals used or intended for use in the performance of this grant, the recipient shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in a. above. In case of conflict between standards, the higher standard shall be used. The recipient's reports on portions of the award in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The recipient may request registration of the recipient's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the recipient's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contacting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

## 9. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating country government may designate.)

(a) Except as modified by the schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.

(c) The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."

(ii) The price of each item of property acquired or furnished under this award.

(iii) The location of each item of property acquired or furnished under this award.

(iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the award.

(vi) Date of order and receipt of any item acquired or furnished under the award.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:

- (i) disclosure of need for and the performance of preventive maintenance,
- (ii) disclosure and reporting of need for capital type rehabilitation, and
- (iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss:

The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its

managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;

(vi) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

(2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that USAID may have required the recipient to carry such insurance under any other provision of this award.

(3) Upon the happening of loss or destruction of or damage to the cooperating country property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the Agreement Officer a statement of:

(i) The lost, destroyed, or damaged cooperating country property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the cooperating country property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The recipient shall make repairs and renovations of the damaged cooperating country property or take such other action as the Agreement Officer directs.

(5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse USAID, as directed by the Agreement Officer. The recipient shall do nothing to prejudice USAID's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Agreement Officer, shall, at the Government's expense, furnish to USAID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: USAID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit to the Agreement Officer an inventory schedule covering all items of equipment, materials and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

## **10. PUBLIC NOTICES (AUGUST 1992)**

(This provision is applicable when the cognizant Activity Manager or SO Team determines that the award is of public interest and requests that the provision be included in the award.)

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

The recipient may call on USAID's Office of External Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the cognizant technical officer and to USAID's Office of External Affairs as far in advance of release as possible.

(END OF STANDARD PROVISION)

## **11. RIGHTS IN DATA (AUGUST 1992)**

(This provision is applicable whenever data will be produced under the award.)

(a) Definitions

"Data" means recorded information (including information relating to the research, testing, or development of any drug or device requiring approval for use in the United States), regardless of form or the media on which it may be recorded. In the aggregate these data may be in the form of reports, articles, manuals, or publications. The term includes technical data and computer software. The term does not include financial reports or other information incidental to award administration.

"Form, fit and function data" means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formulae, and flow charts of the software.

"Limited rights" means the rights of the Government in limited rights data as set forth in the following Limited Rights Notice:

-- "These data are submitted with limited rights. These data may be reproduced and used by the Government with the limitation that they will not, without written permission of the recipient, be used for purposes of manufacture nor disclosed outside the Government.

-- "This Notice shall be marked on any reproduction of these data, in whole or in part."

"Limited rights data" means data (other than computer software) that embody trade secrets, or are commercial or financial and confidential or privileged, to the extent that such data pertain to items, components, or processes developed at private expense, including minor modifications thereof.

"Restricted computer software" means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software, including minor modifications of such computer software.

"Technical data" means data (other than computer software) which are of a scientific or technical nature.

"Unlimited rights" means the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly, in any manner and for any purpose, and to permit others to do so.

(b) Allocation of Rights

(1) Except as provided in paragraph (c) of this provision regarding copyright, the Federal Government shall have unlimited rights in --

(i) Data first produced in performance of this award;

(ii) Form, fit and function data delivered under this award;

(iii) Data delivered under this award (except for restricted computer software) that constitutes manuals or instructional and training material for installation, operation or routine maintenance and repair of items, components, or processes delivered or furnished for use under this award; and

(iv) All other data delivered under this award unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (d) of this provision.

(2) The recipient shall have the right to --

(i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the recipient in the performance of this award;

(ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (d) of this provision;

(iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices;

(iv) Establish claim to copyright subsisting in data first produced in the performance of this award to the extent provided in subparagraph (c) of this provision.

(c) Copyright

(1) Data first produced in the performance of this Award.

The recipient may establish, without prior approval of USAID, claim to copyright subsisting in scientific and technical articles based on or containing data first produced in the performance of this award and published in academic, technical or professional journals, symposia proceedings or similar works. The prior express written permission of USAID is required to establish claim to copyright subsisting in all other data first produced in performance of this award. For computer software and other data the recipient awards to the Government, and others acting on its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works and display publicly by or on behalf of the Government.

(2) Data not first produced in the performance of this Grant. The recipient shall not, without prior written permission of USAID incorporate in data delivered under this award any data not first produced in the performance under this award and which contains the copyright notice of 17 U.S.C. 401 or 402, unless the grantee identifies such data and awards to the Government, or acquires on its behalf, a license of the same scope as set forth above in paragraph (c).

(3) Removal of copyright notices. The Government agrees not to remove any copyright notices placed on data delivered under this award and to include such notice on all reproductions of such data.

(d) Protection of limited rights data and restricted computer software

When data other than that listed in subparagraph (b)(1)(i), (ii) and (iii) of this provision are specified to be delivered under this award and qualify as either limited rights data or restricted computer software, if the recipient desires to continue protection of such data, the recipient shall withhold such data and not furnish them to the Government under this award. As a condition to this withholding, the recipient shall identify the data being withheld and furnish form, fit, and function data in lieu thereof.

(e) Subagreements

The recipient has the responsibility to obtain from subgrantees and those who work in collaboration with the recipient in performance of this award all data and rights necessary to fulfill the recipient's obligations under this award. If a subrecipient or collaborator refuses to accept terms affording the Government such rights, the recipient shall promptly bring such refusal to the attention of USAID and not proceed without authorization from USAID.



(f) Relationship to patents

Nothing contained in this provision shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right granted to the Government.

**12. COMMUNICATIONS PRODUCTS (October 1994)**

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

(End of Standard Provision)

**13. COST SHARING (MATCHING) (April 1998)**

(This provision, along with 22 CFR 226., is applicable when the recipient has agreed or is required to cost share or provide a matching share.)

(a) If at the end of any year (or funding period) hereunder, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the difference may be applied to reduce the amount of USAID incremental funding the following year (or funding period), or, if the award has expired or has been terminated, the difference shall be refunded to USAID.

(b) The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

**14. PROHIBITION ON THE USE OF FEDERAL FUNDS TO PROMOTE, SUPPORT, OR ADVOCATE FOR THE LEGALIZATION OR PRACTICE OF PROSTITUTION - ASSISTANCE (JULY 2004)**

(a) The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote, support, or advocate the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

(b) [This subsection (b) only applies to foreign non-governmental organizations and PIOs receiving U.S. Government funds to carry out programs that target victims of severe forms of trafficking as either prime awardees or subawardees.]

(1) For programs that target victims of severe forms of trafficking, as a condition of entering into this agreement or subagreement, the recipient/subrecipient agrees that in its activities outside of the United States and its possessions it does not promote, support, or advocate the legalization or practice of prostitution. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.

(2) The following definitions apply for purposes of this clause:

**FOREIGN NON-GOVERNMENTAL ORGANIZATION** – The term “foreign non-governmental organization” means an entity that is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

**SEVERE FORMS OF TRAFFICKING IN PERSONS.** -- The term “severe forms of trafficking in persons” means—

(A) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(B) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(c) The recipient shall insert this provision in all sub-agreements under this award.

(d) This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination, in whole or in part, of the agreement by USAID prior to the end of its term.”

**PART V - MANDATORY STANDARD PROVISIONS FOR U.S.,  
NONGOVERNMENTAL RECIPIENTS WHEN ACTIVITIES ARE UNDERTAKEN  
OUTSIDE THE U.S.**

**1. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)**

(The following applies to the recipient's employees working in the cooperating country under the agreement who are not citizens of the cooperating country.)

(a) The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

(b) The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission, including the rules contained in 22 CFR Part 136, except as this may conflict with host government regulations.

(c) Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.

(d) The recipient's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved and shall recommend to the recipient a course of action with regard to such employee.

(f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

If it is determined, either under (e) or (f) above, that the services of such employee should be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

**2. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY  
(NOVEMBER 1985)**

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in

writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

### **3. USE OF POUCH FACILITIES (AUGUST 1992)**

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

Name of individual or organization (followed by  
letter symbol "G")  
City Name of post (USAID/\_\_\_\_\_)  
Agency for International Development  
Washington, D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

(b) The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

#### **4. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (DECEMBER 1995)**

(This provision is applicable when costs for international travel or transportation will be paid for with USAID funds. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

##### **(a) PRIOR BUDGET APPROVAL**

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

##### **(b) NOTIFICATION**

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

(i) the primary purpose of the trip is to work with USAID Mission personnel, or

(ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

#### (c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before traveling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may

choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

#### (d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

#### (e) THE FLY AMERICA ACT

(1) The Fly America Act requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Comptroller General of the United States, by Decision B-138942 of June 17, 1975, as amended March 31, 1981, provided guidelines for implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act (Fly America Act) of 1974 (49 U.S.C. 1517, as amended by Section 21 of Public Law 96-192).

(2) U.S. flag air carrier service is considered available even though:

(i) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(ii) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(iii) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(3) In determining availability of a U.S flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

(i) U.S. flag air carrier service available at point of origin shall be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(ii) Where an origin or interchange point is not served by U.S flag air carrier, a foreign air carrier shall be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(iii) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier, the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(4) Travel to and from the United States: For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered available if:

(i) the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier; or

(ii) the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point or, delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(5) Travel Between Points Outside the United States: Use of a foreign-flag air carrier is permissible if:

(i) Travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(ii) Where one of the two points abroad is the gateway airport enroute to or from the United States and the use of a U.S. flag air carrier would extend the time in a

travel status by at least six hours more than travel by foreign air carrier; including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(iii) The travel is not part of a trip to or from the United States and the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(6) Short Distance Travel: Use of a foreign-flag air carrier is permissible, regardless of origin and destination, if the elapsed travel time on a scheduled flight from origin to destination airport by a foreign flag air carrier is three hours or less and service by a US flag air carrier would double the travel time.

(7) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this award.

(8) Where U.S. Government funds are used for reimbursement on other than U.S. flag air carriers for international transportation, the recipient shall include a certification in their own files involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS. I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(f) **COST PRINCIPLES**

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the grantee.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

**5. OCEAN SHIPMENT OF GOODS (APRIL 1998)**

(This provision is applicable when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.)

(a) At least 50% of the gross tonnage of all goods purchased under



this agreement and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the USAID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation, Maritime Administration, Division  
of National Cargo, 400 7th Street, S.W., Washington, DC 20590, and

U.S. Agency for International Development,  
Office of Procurement, Transportation Division  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523-7900

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(f) Shipments financed under this grant must meet applicable eligibility requirements set out in 22 CFR 228.21.

## **6. LOCAL PROCUREMENT (April 1998)**

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional Services Contracts estimated not to exceed \$250,000.

(4) Construction Services Contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services is a supported element.

**PART VI - MANDATORY STANDARD PROVISIONS FOR NON-U.S.,  
NONGOVERNMENTAL RECIPIENTS**

**1. APPLICABILITY OF 22 CFR PART 226 (May 2005)**

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with Non-US subrecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133.

**2. ALLOWABLE COSTS (OCTOBER 1998)**

(a) The recipient shall be reimbursed for costs incurred in carrying out the purposes of this award which are determined by the Agreement Officer to be reasonable, allocable, and allowable in accordance with the terms of this award and the applicable\* cost principles in effect on the date of this award. The recipient may obtain a copy from the Agreement Officer. Brief definitions of what may be considered as reasonable, allocable, and allowable costs are provided below, however, it is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable set of Cost Principles.

(1) Reasonable. Shall mean those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are incurred specifically for the award.

(3) Allowable Costs. Shall mean those costs which conform to any limitations in the award.

(b) Prior to incurring a questionable or unique cost, the recipient shall obtain the Agreement Officer's written determination on whether the cost will be allowable.

(c) It is USAID policy that no funds shall be paid as profit or fee to a recipient under this agreement or any subrecipient. This restriction does not apply to contractual relationships under this agreement.

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\*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2 and USAID Acquisition Regulation 731.2.

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**3. USAID DISABILITY POLICY – ASSISTANCE (December 2004)**

(a) The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3)

to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website:

<http://www.usaid.gov/about/disability/DISABPOL.FIN.html>.

(b) USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

#### **4. PROHIBITION ON THE USE OF FEDERAL FUNDS TO PROMOTE, SUPPORT, OR ADVOCATE FOR THE LEGALIZATION OR PRACTICE OF PROSTITUTION - ASSISTANCE (JULY 2004)**

(a) The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote, support, or advocate the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

(b) [This subsection (b) only applies to foreign non-governmental organizations and PIOs receiving U.S. Government funds to carry out programs that target victims of severe forms of trafficking as either prime awardees or subawardees.]

(1) For programs that target victims of severe forms of trafficking, as a condition of entering into this agreement or subagreement, the recipient/subrecipient agrees that in its activities outside of the United States and its possessions it does not promote, support, or advocate the legalization or practice of prostitution. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.

(2) The following definitions apply for purposes of this clause:

**FOREIGN NON-GOVERNMENTAL ORGANIZATION** – The term “foreign non-governmental organization” means an entity that is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

**SEVERE FORMS OF TRAFFICKING IN PERSONS.** -- The term “severe forms of trafficking in persons” means—

(A) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(B) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(c) The recipient shall insert this provision in all sub-agreements under this award.

(d) This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination, in whole or in part, of the agreement by USAID prior to the end of its term."

## **5. ACCOUNTING, AUDIT, AND RECORDS (OCTOBER 1998)**

(a) The recipient shall maintain financial records, supporting documents, statistical records and all other records pertinent to the award in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this award. Accounting records that are supported by documentation will as a minimum be adequate to show all costs incurred under the award, receipt, and use of goods and services acquired under the award, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the recipient records and subrecipient records which pertain to this award shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by USAID and/or its representatives.

(b) Foreign for-profit and non-profit organizations that expend \$300,000 or more per their fiscal year in "USAID awards", i.e. as recipients or subrecipients of USAID grants or cooperative agreements, or as cost reimbursable subcontractors of USAID grants or cooperative agreements, shall have an annual audit conducted in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General.

(c) Foreign for-profit and non-profit organizations expending less than \$300,000 per their fiscal year under USAID cost-reimbursable contracts, grants, cooperative agreements, or agreements with host governments shall be exempt from the above financial audit requirements, but are subject to the requirement to make records available upon request for review by USAID officials or their designees.

(d) USAID shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds regardless of the audit requirement.

(e) Foreign organizations that provide USAID resources to other organizations to carry out the USAID program and activities shall be responsible for monitoring their subcontractors or subgrantees. Allowable costs for limited scope subrecipient audits charged to USAID funds shall be limited to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; matching, level of effort; earmarking; and reporting.

(f) The audit report shall be submitted to USAID within 30 days after completion of the audit; the audit shall be completed, and the report submitted, not later than 9 months after the close of the recipient's fiscal year. The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. No audit costs may be charged to this award if audits have not been made in accordance with the terms of this provision. In cases of continued inability or unwillingness to have

an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all or a percentage of disbursements until the audit is satisfactorily completed.

(g) This provision in its entirety shall be incorporated into all subawards with non-U.S. organizations which meet the \$300,000 threshold as described at paragraph (b) of this Provision. Subawards to non-U.S. organizations which are for more than \$10,000 but do not meet the \$300,000 threshold shall at a minimum incorporate paragraph (d) of this Provision. Subawards of grants and cooperative agreements made to U.S. organizations shall state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

## **6. PAYMENT ADVANCES AND REFUNDS (OCTOBER 1998)**

(a) Recipients shall maintain advances of USAID funds in interest bearing accounts, unless:

- (1) the recipient receives less than \$120,000 in U.S. Government awards per year;
- (2) the best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on U.S. Government cash balances; or
- (3) the depository would require an average or minimum balance so high that it would not be practical to maintain the advance in an interest bearing account.

(b) Interest earned on advances will be remitted to USAID. However, the recipient may retain up to \$250 of interest earnings per account per year, for administrative expenses.

(c) At the time the award expires or is terminated, the following types of funds shall immediately revert to USAID:

- (1) USAID has obligated funds to the award, but has not disbursed them to the recipient; or
- (2) USAID has advanced funds to the recipient, but the recipient has not expended them.

Notwithstanding (c) (1) and (2) above, funds which the recipient has obligated in legally binding transactions applicable to this award will not revert to USAID.

(d) USAID reserves the right to require refund by the recipient of any amount which the recipient did not spend in accordance with the terms and conditions of this award. In the event that a final audit has not been performed prior to the closeout of this award, USAID retains the right to a refund until all claims which may result from the final audit have been resolved between USAID and the recipient.

## **7. REVISION OF AWARD BUDGET (OCTOBER 1998)**

(a) The approved award budget is the financial expression of the recipient's program as approved during the award process.

(b) The recipient is required to report deviations from budget and program plans, and request prior approvals from the Agreement Officer for any of the following reasons:

- (1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.
- (2) To change a key person where specified in the award, or allow a 25% reduction in time devoted to the project.
- (3) Additional funding is needed.
- (4) Where indirect costs have been authorized, the recipient plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.
- (5) The inclusion of costs that require prior approval in accordance with the applicable set of Cost Principles.

(6) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(7) The recipient intends to contract or subaward any of the work under this award, and such contracts or subawards were not included in the approved award budget.

(c) If specified in the Schedule of the award, the recipient may be further restricted from transferring funds among cost categories. Such a restriction would require the recipient to get the prior approval of the Agreement Officer before making budget shifts which expect to exceed 10% of the total budget.

(d) USAID is under no obligation to reimburse the recipient for costs incurred in excess of the total amount obligated under the award. If the total obligated amount under the award has been increased, the Agreement Officer will notify the recipient in writing of the increase and specify the new total obligated award amount.

## **8. TERMINATION AND SUSPENSION (OCTOBER 1998)**

(a) The Agreement Officer may terminate this award at any time, in whole or in part, upon written notice to the recipient, whenever it is determined that the recipient has materially failed to comply with the terms and conditions of the award.

(b) This award may be terminated at any time, in whole or in part, by the Agreement Officer with the consent of the recipient. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion of the award to be terminated. The agreement to terminate shall be set forth in a letter from the Agreement Officer to the recipient.

(c) This award may be terminated at any time in whole or in part by the recipient upon sending written notification to the Agreement Officer with the following information: the reasons for the termination, the effective date, and, in the case of a partial termination, the portion to be terminated. However, if USAID determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, USAID may terminate the award in its entirety in accordance with paragraphs (a) or (b) above.

(d) If at any time USAID determines that continuation of all or part of the funding for a program should be suspended or terminated because such assistance would not be in the national interest of the United States or would be in violation of an applicable law, then USAID may, following notice to the recipient, suspend or terminate this award in whole or part and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for 60 days or more, then USAID may terminate this award on written notice to the recipient and cancel that portion of this award which has not been disbursed or irrevocably committed to third parties.

(e) Termination and Suspension Procedures. Upon receipt of and in accordance with a termination notice as specified above, the recipient shall take immediate action to minimize all expenditures and obligations financed by this award and shall cancel such unliquidated obligations whenever possible. Except as provided below, the recipient shall not incur costs after the effective date of termination.

The recipient shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended USAID funds which are not otherwise obligated by a legally binding transaction applicable to this award. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover the recipient's obligations in the legally binding transaction, the

recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Agreement Officer shall determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with the applicable Cost Principles. This provision must be included in all subagreements.

#### **9. DISPUTES (OCTOBER 1998)**

(a) Any dispute under this award shall be decided by the USAID Agreement Officer. The Agreement Officer shall furnish the recipient a written copy of the decision.

(b) Decisions of the USAID Agreement Officer shall be final unless, within 30 days of receipt of the decision of the Agreement Officer, the recipient appeals the decision to USAID's Assistance Executive. Any appeal made under this provision shall be in writing and addressed to the Assistance Executive, U.S. Agency for International Development, Office of Procurement, 1300 Pennsylvania Ave, N.W., Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the Agreement Officer.

(c) In order to facilitate review on the record by the Assistance Executive, the recipient shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Assistance Executive shall be final.

#### **10. INELIGIBLE COUNTRIES (MAY 1986)**

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

#### **11. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (MARCH 1989).**

(1) The recipient certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The recipient further agrees to include the following provision in any subagreements or contracts entered into under this award:



**DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION  
(MARCH 1989)**

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.

**12. INVESTMENT PROMOTION (JANUARY 1994)**

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subagreements.

**13. NONLIABILITY (NOVEMBER 1985)**

USAID does not assume liability for any third party claims for damages arising out of this award.

**14. AMENDMENT (OCTOBER 1998)**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters or forms between the Agreement Officer and an appropriate official of the recipient.

**15. NOTICES (OCTOBER 1998)**

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person or mailed as follows:

To the USAID Agreement Officer and Cognizant Technical Officer, at the addresses specified in the award. To recipient, at recipient's address shown in the award or to such other address designated within the award.

Notices shall be effective when delivered in accordance with this provision, or on effective date of the notice, whichever is later.

**16. METRIC SYSTEM OF MEASUREMENT (AUGUST 1992)**

Wherever measurements are required or authorized, they shall be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by the

Agreement Officer in writing when it has found that such usage is impractical or is likely to cause U.S. firms to experience significant inefficiencies or the loss of markets. Where the metric system is not the predominant standard for a particular application, measurements may be expressed in both the metric and the traditional equivalent units, provided the metric units are listed first.

#### **17. SUBMISSION REQUIREMENTS FOR DEVELOPMENT EXPERIENCE DOCUMENTS (JAN 2004)**

The Recipient shall submit \_\_\_\_\_ [Note - specify number of copies, not to exceed the original and two copies] of a performance report to \_\_\_\_\_ [Note - specify name and title of Cognizant Technical Officer and the Agreement Officer, if desired, along with address]. The performance reports are required to be submitted \_\_\_\_\_ [Note - state frequency, not to exceed quarterly] and shall contain the following information \_\_\_\_\_ [Note - state reporting requirements, as related to the Program Description].

##### **Final Report**

The Recipient shall submit the original and one copy to \_\_\_\_\_ [Note - specify name and title of Cognizant Technical Officer and the Agreement Officer, if desired, along with address] and one copy, in electronic (preferred) or paper form of final documents to one of the following: (a) Via E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org) ; (b) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA; (c) Via Fax: (301) 588-7787; or (d) Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>. The final performance report shall contain the following information \_\_\_\_\_ [Note - state reporting requirements, as related to the Program Description].

#### **18. PUBLICATIONS AND MEDIA RELEASES (JAN 2004)**

(a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_.

The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the Cognizant Technical Officer, publications, videos or other information/media products funded under this award and intended for general

readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In

addition, the recipient shall submit one electronic (preferred) or one paper copy of final documents to USAID's Development Experience Clearinghouse (DEC) in to one of the following: (A) Via E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org) ; (B) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA; (C) Via Fax: (301) 5887787; or (D) Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

(d) Electronic documents may be submitted on 3.5" diskettes or as e-mail attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a paper copy must be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF).

(e) Each document submitted should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(f) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost, as is the normal practice, any profits or royalties up to the amount of such

cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(g) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF MANDATORY STANDARD PROVISIONS)

## SECTION E - ANNEXES

Annex A	USAID Microenterprise Policy
Annex B	Standard Form 424 and 424A

## **ANNEX A**

### **USAID MICROENTERPRISE POLICY**

This is a summary of USAID's Microenterprise Development Policy. The full text can be found on the Microenterprise Innovations Project homepage at [www.mip.org](http://www.mip.org).

Extract from Major Functional Series 200 USAID Program and Project Assistance  
Chapter 219 - Microenterprise Development

#### **219.5 POLICY**

##### **219.5.1 SCOPE OF POLICY**

Throughout this guidance and the Supplemental Reference, responsibilities assigned to "Missions" apply equally to any USAID/W operating unit that provides microenterprise assistance directly, i.e., other than through OYB transfers to USAID Missions.

##### **219.5.2 EXEMPTION FOR SMALL-SCALE INFORMATIONAL ACTIVITIES**

None of the policies or essential procedures stated herein restrict USAID assistance to organizations in the form of support for attendance at workshops, conferences, or training sessions; provision of literature; or similar low-cost, information-sharing activities.

##### **219.5.3 PROHIBITION AGAINST ASSISTANCE TO IMPLEMENTING ORGANIZATIONS WITH PROGRAMS NOT OPEN TO WOMEN**

USAID support shall only be provided to implementing organizations whose microenterprise development programs are both formally and effectively open to women. All assistance agreements with implementing organizations must require annual reporting of the percentage of women among their clients/beneficiaries.

##### **219.5.4 HOST COUNTRY ECONOMIC ENVIRONMENT**

Before signing an agreement to provide assistance to any microfinance institution, the Mission must consider the host country economic environment, particularly with regard to inflation and constraints on setting interest rates, to ensure that the prospects for assisted organizations to reach the performance standards identified in this guidance are not undermined.

##### **219.5.5 ELIGIBILITY CONDITIONS FOR USAID ASSISTANCE TO MICROFINANCE INSTITUTIONS**

###### **219.5.5a MFI WILLINGNESS AND ABILITY TO SET FULL-COST-COVERING INTEREST RATES AND FEES**

Before signing an agreement to provide assistance to any microfinance institution, the Mission must determine (1) that the institution has full and effective latitude to set interest rates and fees at full cost-covering levels; and (2) that the institution's management is prepared to charge interest rates and fees on loans that are high enough to cover the program's full long-run costs.

###### **219.5.5b MFI COMMITMENT TO ATTAIN FULL FINANCIAL SUSTAINABILITY**

Before the Mission signs an agreement to provide assistance to any microfinance institution, the management of the institution must provide the Mission with a credible

written commitment to (1) attain full financial sustainability on the MFI's financial service activities within no more than seven years of the initial provision of USAID assistance and (2) use USAID assistance to expand the availability of financial services to micro entrepreneurs and other poor people.

**219.5.5c APPLICABLE MEASURE OF FINANCIAL SUSTAINABILITY**

For purposes of satisfying 219.5.5b, full financial sustainability refers to the attainment of an adjusted return on operations of 1 or greater.

**219.5.5d MFI PLAN FOR ATTAINING FINANCIAL SUSTAINABILITY**

The assisted organization's commitment to reach full financial sustainability must be accompanied by a plan outlining the major steps to be undertaken in the process of achieving this goal, including a realistic timetable for undertaking those steps, and defining periodic benchmarks by which progress toward the goal can be determined.

**219.5.5e MFI CONTROL OVER LOAN DELINQUENCY**

Before signing an agreement to provide assistance to any microfinance institution that is already providing loans, the Mission must determine that the delinquency rate in the institution's loan portfolio is below 10%, and that its loss rate is below 5%.

**219.5.6 REPORTING REQUIREMENTS FOR USAID-ASSISTED MICROFINANCE INSTITUTIONS**

Every agreement to provide USAID assistance to any microfinance institution must include a requirement that the assisted organization provide USAID, on an annual basis, with a report of its financial and operational performance and outreach. This requirement applies whether or not the assisted organization regards financial services as the primary focus of its program.

**219.5.6a APPLICATION OF REPORTING REQUIREMENTS TO MFIS SERVING BOTH POOR AND NON-POOR CUSTOMERS**

For purposes of satisfying 219.5.6, a financial institution serving both poor and non-poor clients may, at its option, base its financial reporting on information relating to its overall portfolio. However, the required indicators of portfolio and outreach and of interest rate policy specifically refer to financial services targeted toward micro entrepreneurs and other poor people.

**219.5.7 MFI USE OF PERFORMANCE INFORMATION AS FACTOR IN USAID DISBURSEMENT DECISIONS**

In making decisions regarding disbursement of USAID assistance to microfinance institutions, Mission staff must consider both the effort the organization puts into gathering financial and operational performance data and the extent to which it uses those data in its decision making.

**219.5.8 REPORTING REQUIREMENT FOR ORGANIZATIONS PROVIDING NON-FINANCIAL ASSISTANCE**

Every agreement to provide USAID assistance to an organization that provides non-financial assistance to micro entrepreneurs must include a requirement that the assisted organization provide USAID, on an annual basis, with a report of its financial and operational performance and outreach. This report must provide suitable indicators of: (1) the number of clients provided each type of non-financial assistance, on a gender-disaggregated basis; (2) a budget, balance sheet, and profit/loss statement for

the program, which clearly identifies the program's different sources of funds, major cost elements, and the extent of cost recovery involved in the provision of each services; and (3) a set of program impact indicators that the Mission determines is sufficient to allow an assessment of the program's cost-effectiveness.

#### 219.5.9 ELIGIBILITY CONDITIONS FOR USAID ASSISTANCE TO IMPLEMENTING ORGANIZATIONS PROVIDING BOTH FINANCIAL SERVICES AND NON-FINANCIAL ASSISTANCE

Every agreement to provide USAID assistance to an organization that provides both financial services and non-financial assistance to micro entrepreneurs must include (1) a commitment to attain financial sustainability in the provision of financial services, as specified in 219.5.5b and a plan to attain that goal as specified in 219.5.5d; and (2) a requirement to provide separate reporting on the outreach and financial and operational performance of the organization's financial services efforts and non-financial assistance, as specified in 219.5.6, 219.5.6a, and 219.5.8.

#### 219.5.9a REPORTING REQUIREMENTS FOR PROGRAMS WITH LIMITED NON-FINANCIAL ELEMENTS

In any case where the Mission judges that an implementing organization accompanies its delivery of financial services with social messages or other limited non-financial assistance at little or no additional cost, the Mission may agree with organization managers to treat the program as a pure financial services program for reporting purposes.

#### 219.5.10 RESTRICTION ON USAID SUPPORT TO ORGANIZATIONS OFFERING SUBSIDIZED LOANS FOR PURPOSES OTHER THAN MICROENTERPRISE DEVELOPMENT

USAID assistance shall not be provided to organizations that provide loans on a subsidized basis in order to induce participation in activities with objectives other than improved microenterprise performance (e.g., health, environment, or democracy.)

## **ANNEX B**

### **SF 424 and 424A**



<b>APPLICATION FOR FEDERAL ASSISTANCE</b>		2 DATE SUBMITTED	APPLICANT IDENTIFIER
1 TYPE OF SUBMISSION		3 DATE RECEIVED BY STATE	STATE APPLICATION IDENTIFIER
<div style="display: flex; justify-content: space-between;"> <div> Application  <input type="checkbox"/> Construction  <input type="checkbox"/> Non-Construction </div> <div> Preapplication  <input type="checkbox"/> Construction  <input type="checkbox"/> Non-Construction </div> </div>		4. DATE RECEIVED BY FEDERAL AGENCY	FEDERAL IDENTIFIER
5. APPLICANT INFORMATION			
Legal Name		Organizational Unit	
Address (Street, County, State and ZIP code)		Name and telephone number of person to be contacted on matters involving this application (give area code)	
6 EMPLOYER IDENTIFICATION NUMBER (EIN)		7. TYPE OF APPLICANT (enter appropriate letter in box)	
<div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 5px;"></div>		<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> A. State  <input type="checkbox"/> B. County  <input type="checkbox"/> C. Municipal  <input type="checkbox"/> D. Township  <input type="checkbox"/> E. Interstate  <input type="checkbox"/> F. Intermunicipal  <input type="checkbox"/> G. Special District  <input type="checkbox"/> H. Independent School Dist </div> <div> <input type="checkbox"/> I. State Controlled Institution of Higher Learning  <input type="checkbox"/> J. Private University  <input type="checkbox"/> K. Indian Tribe  <input type="checkbox"/> L. Individual  <input type="checkbox"/> M. Profit Organization  <input type="checkbox"/> N. Other (Specify) </div> </div>	
8. TYPE OF APPLICATION		9 NAME OF FEDERAL AGENCY	
<input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div> <input type="checkbox"/> A Increase Award  <input type="checkbox"/> C Increase Duration  <input type="checkbox"/> E Other (specify) </div> <div> <input type="checkbox"/> B Decrease Award  <input type="checkbox"/> D Decrease Duration </div> </div>			
10 CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER		11 DESCRIPTIVE TITLE OF APPLICANTS PROJECT	
Title:			
12. AREAS AFFECTED BY PROJECT (Cities, Counties, Street, etc.)			
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICTS OF	
Start Date	Ending Date	Applicant	Project
15. ESTIMATED FUNDING		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal b. Applicant c. State d. Local e. Other f. Program Income g. Total		a. YES. THIS PREAPPLICATION-APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE _____ b. NO. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
		17. IS THE APPLICATION DELINQUENT ON ANY FEDERAL DEBT?	
		<input type="checkbox"/> Yes If 'Yes', attach an explanation. <input type="checkbox"/> No	
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Type Name of Authorized Representative		b. Title	
c. Telephone Number			
d. Signature of Authorized Representative		e. Date Signed	

## INSTRUCTION FOR THE SF424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain application certification that States which have included in their process, have been given an opportunity to review the applicant's submission.

- | Item:   | Entry:  |
|---|---|
| <p>1. Self-explanatory.</p> <p>2. Date application submitted to Federal agency (or State if applicable) &amp; applicant's control number (if applicable).</p> <p>3. State use only (if applicable)</p> <p>4. If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.</p> <p>5. Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.</p> <p>6. Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.</p> <p>7. Enter the appropriate letter in the space provided.</p> <p>8. Check appropriate box and enter appropriate letter(s) in the space(s) provided:</p> <p style="margin-left: 20px;">-- 'New' means a new assistance award.</p> <p style="margin-left: 20px;">-- 'Continuation' means an extension for an additional funding/budget period for a project with a projected completion date.</p> <p style="margin-left: 20px;">-- 'Revision' means any change in the Federal Government's financial obligation or contingent liability from an existing obligation.</p> <p>9. Name of Federal agency from which assistance is being requested with this application.</p> <p>10. Use the Catalog of Federal Domestic Assistance Number and title of the program under which assistance is requested.</p> <p>11. Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.</p> | <p>12. List only the largest political entities affected (e.g., State, counties, cities).</p> <p>13. Self-explanatory.</p> <p>14. List the applicant's Congressional District and any District(s) affected by the program or project.</p> <p>15. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.</p> <p>16. Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.</p> <p>17. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.</p> <p>18. To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)</p> |

# BUDGET INFORMATION - Non-Construction Programs

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assist- ance Number (b)	Estimated Unobligated Funds		New or Revised Budget	
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)
1	-				
2	-				
3	-				
4	-				
5. Totals					
		Grant Program Function or Activity			
6. Object Class Categories		(1)	(2)	(3)	(4)
a. Personnel					
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (Sum of 6a-6h)					
j. Indirect Charges					
k. TOTALS (Sum of 6i and 6j)					
7. Program Income					

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**BUDGET INFORMATION - Non-Construction Programs (cont'd)**

(a) Grant Program		(b) Applicant	(c) State	(d) Other Source
8.				
9.				
10.				
11.				
12. TOTAL (Sum of lines 8-11)				
		Total Amt 1st Year	1st Quarter	2nd Quarter
		3rd Quarter		
13. Federal				
14. Non-Federal				
15. TOTAL (Sum of lines 13 and 14)				
(a) Grant Program		FUTURE FUNDING PERIODS (Years)		
		(b) First	(c) Second	(d) Third
16.				
17.				
18.				
19.				
20. TOTAL (Sum of lines 16-19)				
21. Direct Charges:		22. Indirect Charges:		
23. Remarks				

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Standard Form 424A

## INSTRUCTION FOR THE SF424A

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

### General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a - k of Section B.

#### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a single Federal grant program (Federal activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a single program requiring budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in Column (a) and the respective catalog number on each line in Column (b).

For applications pertaining to multiple programs where one or more programs require a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should always provide the summary totals by programs.

#### Lines 1-4 Columns (c) through (g)

For new applications, leave Columns (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in Columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (c) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (c) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (c) and (f).

Line 5 - Show the totals for all columns used

#### Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4. Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

Lines 6a - i Show the totals of Lines 6a to 6h in each column.

Line 6j Show the amount of indirect cost.

Line 6k - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount

in Column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Column (1) - (4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

Line 7 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agency in determining the total amount of the grant.

#### Section C. Non-Federal Resources

Lines 8-11 Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

Column (a) - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

Column (b) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency.

Column (c) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

Column (d) - Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e) Enter total of columns (b), (c) and (d).

Line 12 - Enter the total for each of Columns (b)-(e). The amount in Column (c) should be equal to the amount on Line 5, Column (f), Section A.

#### Section D. Forecasted Cash Needs

Line 13 - Enter the amount of cash needed by quarter from the grantor agency during the first year.

Line 14 - Enter the amount of cash from all other sources needed by quarter during the first year.

Line 15 - Enter the totals of amounts on Lines 13 and 14.

#### Section E. Budget Estimates of Federal Funds Needed for Balance of the Project.

Lines 16-19 - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

Line 20 - Enter the total for each of the Columns (b)-(e). When schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

#### Section F. Other Budget Information

Line 21 - Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

Line 22 - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

Line 23 - Provide any other explanations or comments deemed necessary.

## ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

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NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited by (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 cc-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276z - 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.

## ASSURANCES - NON-CONSTRUCTION PROGRAMS (cont'd)

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (E.O.) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. 17401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will ensure to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984 or OMB Circular No. A-133, Audits of Institutions or Higher Learning and other Non-profit Institutions.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE	
APPLICANT ORGANIZATION		DATE SUBMITTED